



Missouri Public Service Commission

2015 Annual Report



From left to right: Commissioner Scott T. Rupp, Commissioner Stephen M. Stoll, Chairman Daniel Y. Hall, Commissioner Maida Coleman, Commissioner William P. Kenney

Photo by Mark Hughes



Commissioners

DANIEL Y. HALL
Chairman

STEPHEN M. STOLL

WILLIAM P. KENNEY

SCOTT T. RUPP

MAIDA J. COLEMAN

SHELLEY BRUEGGEMANN
General Counsel

MORRIS WOODRUFF
Secretary

WESS A. HENDERSON
Director of Administration

NATELLE DIETRICH
Staff Director

Missouri Public Service Commission

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November 2, 2015

The Honorable Jeremiah W. Nixon
Governor of Missouri
State Capitol
Jefferson City, Missouri

Dear Governor Nixon:

As Chairman of the Missouri Public Service Commission, it is my pleasure to submit the agency's annual report for the fiscal year July 1, 2014 through June 30, 2015, as well as additional information for the calendar year 2015. The Commission's work this year included:

- **Major Rate Cases:** The Commission reached decisions in electric and natural gas rate cases filed by Ameren Missouri, The Empire District Electric Company, Kansas City Power & Light Company, Summit Natural Gas, and Liberty Utilities.
- **Electric Rates:** Missouri continued to maintain residential, commercial and industrial electric rates below the national average while protecting the reliability and quality of utility services.
- **Working Dockets:** The Commission opened several working dockets designed to investigate emerging issues in regulating Missouri utilities, including a docket on electric utility infrastructure efficiency and another on revenue decoupling mechanisms.
- **Consumer Services:** Commission Staff responded to more than 13,570 customer-related contacts and saved Missouri consumers approximately \$275,000 during the 2015 fiscal year working with consumers and utility companies to resolve disputes (i.e. billing, service charge issues). The Commission handled 19 formal and 1,671 informal complaints during the fiscal year.
- **Consumer Outreach and Education:** In fiscal year 2015, the Commission and its Staff conducted or participated in approximately 50 different consumer outreach activities. The Commission continues to advance its efforts to educate consumers on energy efficiency options that can impact customers' monthly utility bills. We accomplish this goal through our involvement in a number of events in local communities such as back to school, energy and job fairs as well as senior citizen events.
- **Local Public Hearings:** The Commission held local public hearings across the state to receive customer comment on cases before the Commission. These hearings provide the Commission


with an opportunity to educate consumers on the role of the Commission and to answer questions they may have about the Commission or the utility services customers receive. The Commission held 38 local public hearings during the 2015 fiscal year.

- **Federal Environmental Regulations:** The Commission continues to provide information and analysis to the Air Conservation Commission and other agencies and stakeholders regarding the Environmental Protection Agency's proposed guidelines for reducing carbon emissions under Section 111 (d) of the Clean Air Act.
- **Organizational Changes:** In September 2015, the Commission announced changes to the organizational structure of the agency. The Commission is always looking for ways to improve the service it provides Missourians and to further promote an efficient regulatory process that is fair and responsive to all parties. Under this reorganization, the Commission will operate under three divisions: Administration, General Counsel and Commission Staff.
- **Federal Activity:** The Commission continued to be a strong and active voice for Missouri ratepayers by monitoring and intervening in cases before the Federal Energy Regulatory Commission (FERC) and the Federal Communications Commission (FCC).
- **Manufactured Housing and Modular Unit Program:** The Commission Staff conducted 397 on-site inspections, licensed 123 manufacturers, 189 retail dealers and 85 installers during the 2015 fiscal year. Staff conducted 18 consumer complaint inspections and resolved 22 open complaints during that time period.
- **Open Proceedings:** The Commission continues to pursue transparency in its proceedings. Consumers can access the Commission's website and view, in real time, hearings in cases before the Commission or watch the Commission conduct business in its weekly agenda meeting. In addition, consumers can view all public information in cases before the Commission by accessing the website (www.psc.mo.gov).

As this Annual Report illustrates, the Public Service Commission continues to be diligent in its efforts to ensure Missourians receive safe and reliable utility services at rates that are just and reasonable. The employees of the Public Service Commission undertake this task with a great deal of professionalism, dedication and talent that is second to none.

I hope that you will find this Annual Report helpful. If there is any additional information that I can provide, please contact me.

Sincerely,



Daniel Y. Hall
Chairman

2015

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BUDGET

Fiscal Year 2016

Public Service Commission

Public Service Commission-Personal Service	\$10,675,717
Public Service Commission-Expense & Equipment	\$2,536,462
Public Service Commission-Refunds	<u>\$10,000</u>

Total	\$13,222,179
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Full-Time Employees (F.T.E.)	194.00
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Office of Public Counsel-Personal Service	\$757,172
Office of Public Counsel-Expense & Equipment	<u>\$254,481</u>

Total	\$1,011,653
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Full-Time Employees (F.T.E.)	14.00
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Deaf Relay Service and Equipment Distribution Program

Expense & Equipment Appropriation	<u>\$2,495,808</u>
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Total	\$2,495,808
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Full-Time Employees (F.T.E.)	0.00
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Manufactured Housing Department

Personal Service	\$351,714
Expense & Equipment	\$354,466
Program Specific Distribution & Refunds(MH)	\$20,000
MH-Refunds	<u>\$10,000</u>
Subtotal	\$736,180

Program Specific Distribution MH Consumer Recovery*	<u>\$192,000</u>
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Total	\$928,180
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Full-Time Employees (F.T.E.)	8.00
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TOTAL BUDGET	\$17,657,820
TOTAL FTE	216.00

*Consumer Recovery Fund Appropriation

COMMISSIONER BIOGRAPHIES



DANIEL Y. HALL *Chairman*

Chairman Daniel Yves Hall was appointed to the Missouri Public Service Commission on September 27, 2013 by Governor Jay Nixon, and unanimously confirmed by the Missouri State Senate in January, 2014. He was appointed Chairman by Governor Nixon on August 10, 2015. He is the 101st PSC Commissioner in the 100-year history of the PSC – Missouri's oldest state agency.

Chairman Hall is an active member of the National Association of Regulatory Utility Commissioners, serving on the NARUC Committee on Water, and the Washington Action Committee. In addition, he serves on the Organization of MISO States Board of Directors, and the Financial Research Institute's Advisory Board.

From January of 2009 when Governor Nixon was sworn into office until his appointment to the Commission, Hall served as the Legislative Director to the Governor, overseeing efforts to advance the Nixon Administration's legislative agenda and serving as lead liaison between the Governor and members of the Missouri General Assembly.

From 2003 to 2009, Hall served as Senior Counsel and Assistant Attorney General in the Office of Missouri Attorney General Jay Nixon. In this position, he litigated in state and federal courts, both trial and appellate, and provided counsel to the Attorney General concerning a wide range of topics including tobacco, sunshine law, education, elections, federal military base closure, and constitutional legislative procedures.

Between 2001 and 2003, Hall served in the Administration of Governor Bob Holden, first as Assistant Commissioner for Policy in the Office of Administration, then as a Senior Policy Adviser to the Governor. In these positions, Hall worked in policy development and legislation in the areas of transportation, natural resources, conservation, labor, agriculture, economic development and the annual state operating budget.

From 1998 to 2001, Hall served as Chief of Staff to Missouri House Speaker Steve Gaw. His responsibilities included coordinating the formulation and passage of the legislative agenda of the Speaker and House majority caucus, supervision of the Speaker's office staff and liaison with the Chief Clerk regarding House legal and personnel matters.

Prior to his state government service, between 1995 and 1998, Hall worked in private practice as an associate with Bryan Cave, LLP in Kansas City. His litigation practice included labor and employment, class action defense and commercial disputes.

From 1993 to 1995, Hall served as a Law Clerk to United States District Court Judge Dean Whipple. In this capacity, Hall conducted research and drafted opinions and orders in a broad range of civil and criminal cases, and provided counsel to the Judge concerning the court's management of state and local entities under its supervision.

Hall was awarded a Juris Doctorate from the University of Missouri School of Law in 1993. His law school honors include the Order of the Coif, Order of the Barristers and Board of Advocates. He was a member of the Law Review, serving as Note and Comment Editor.

In 1988, Hall graduated *cum laude* with a Bachelor of Arts degree from Carleton College in Northfield, Minnesota, with a major in history and a minor in political economy.

Hall and his wife, Cindy, have three children – Elly, Kate and Keaton – and make their home in Columbia.

STEPHEN M. STOLL, *Commissioner*

Stephen M. Stoll was appointed to the Public Service Commission by Missouri Governor Jay Nixon in December, 2011, re-appointed in May, 2012 and unanimously confirmed by the Missouri Senate in January, 2013. He is the only PSC Commissioner in Missouri history to twice receive a



unanimous "do-pass" confirmation recommendation from the Senate Committee on Gubernatorial Appointments for the same term, and the only commissioner whose confirmation consideration covered three calendar years.

Commissioner Stoll is well-known to the Missouri Senate and the House of Representatives, having been elected to both legislative bodies by the citizens of his home area in Jefferson County. Stoll

BIOGRAPHIES

was first elected to the Missouri House of Representatives, District 103, in 1992. He was re-elected by the citizens of that district in 1994 and 1996 to serve three consecutive terms in that chamber. During his tenure in the Missouri House, Stoll served on a number of legislative committees, including being named chairman of the House Elementary and Secondary Education Committee.

In 1998, Stoll was elected to the Missouri Senate, serving the 22nd District that comprised the northern two-thirds of Jefferson County. As Senator from the 22nd, Stoll replaced Senate President Pro-Tem Bill McKenna, the Senate's highest ranking official. Stoll, who was re-elected to the Senate in 2002, served on a number of committees, including the Senate Committee on Commerce and the Environment, the Senate Committee on Local Government and Economic Development, the Senate Ways and Means Committee and the Senate Appropriations Committee. He also served as chairman of the Committee on Elections, Veterans and Corrections during his first term in the Senate.

In 2005, Stoll returned to Jefferson County to serve as the City Administrator of Festus, a position he held for four years.

In 2009, Stoll was named Director of Administration for Jefferson County, becoming the first director to serve under the Home Rule Charter of Jefferson County.

Commissioner Stoll is a member of the National Association of Regulatory Utility Commissioners, and serves on the NARUC Committee on Water and Electricity. Stoll serves as the Missouri Public Service Commission's representative on the Regional State Committee for the Southwest Power Pool.

Stoll is veteran of the U.S. Army. He holds a Bachelor of Arts degree in political science from the University of Missouri-Columbia and a Master of Education degree from the University of Missouri-St. Louis.

Stoll worked as a classroom teacher in Jefferson County schools, where he taught social studies for 20 years. He was first elected to public office in Crystal City, where he served on the City Council from 1983 to 1992.

Commissioner Stoll and his wife, Kathy, have four children (Emily Stoll, deceased) and five grandchildren.

WILLIAM P. KENNEY, *Commissioner*

Commissioner Bill Kenney was appointed to the Missouri Public Service Commission by Governor Jay Nixon on January 9, 2013. On January 24, 2013, he was confirmed by the Missouri Senate to a six-year term.

Commissioner Kenney was born in San Francisco, California and grew up in Southern California with his parents and eight siblings. He received an Associate of Arts Degree from Saddleback Junior College and attended Arizona State University prior to graduating from the University of Northern Colorado with a Bachelor's Degree in Business Management.

Commissioner Kenney was drafted as a quarterback in the National Football League by the Miami Dolphins in

1978. He went on to play professional football for 11 years, 10 with the Kansas City Chiefs. Among his many accomplishments were becoming the National Football League's fourth quarterback to ever throw for 4000 yards in a single season, Pro Bowl 1983 and Kansas City Chiefs Most Valuable Player in 1983.

Upon his retirement from football, Commissioner Kenney became a licensed real estate broker. He is president of Bill Kenney & Associates, a real estate brokerage and development company. He is also president of Bill Kenney Homes, a residential construction company.

Commissioner Kenney was elected to the Missouri Senate in 1994 and served the citizens of eastern Jackson County until 2002. In 2001, Commissioner Kenney was selected by Senate members to serve as the Majority Floor leader, the first Republican to hold this office in over 50 years.

In 1996, Commissioner Kenney was the Republican nominee for Lieutenant Governor. From January 2011 until accepting his current position, Commissioner Kenney was Chief of Staff for Missouri Lieutenant Governor Peter Kinder.

In August of 2013, Commissioner Kenney was appointed to the National Association of Regulatory Utility Commissioners Committee on Gas.

Commissioner Kenney is married to Sandra (Ehrlich) Kenney. They reside in Lee's Summit and have four adult children.



SCOTT T. RUPP, *Commissioner*

Commissioner Scott T. Rupp was sworn in as Commissioner at the Missouri Public Service Commission in April of 2014. Previously he served two terms in the Missouri State Senate from 2006-2014, and two terms as a State Representative from 2003-2006.

Before his career in public service, Commissioner Rupp founded a college preparatory company, Educational Funding

& Financial Aid Specialists, in which he assisted parents of high school students in preparing their children for college. Having held his securities licenses, Rupp also founded the investment firm Rupp & Associates along with a mortgage brokerage called Educational Financing Company, which specialized in loans for parents of college-bound students. Upon his election



to the Missouri Senate, he sold his businesses and took a position with UMB Bank in Missouri, where he served as vice president of business development, specializing in commercial lending.

Commissioner Rupp serves on the Energy and Environment, Critical Infrastructure, and International Relations committees at the National Association of Regulatory Utility Commissioners (NARUC). He is also a member of the North American Numbering Council.

Commissioner Rupp is a 1995 graduate of the University of Missouri.

MAIDA COLEMAN, *Commissioner*

Commissioner Maida Coleman was appointed to the Missouri Public Service Commission by Governor Jay Nixon, effective August 10, 2015. The appointment is subject to confirmation by the Missouri Senate.

Prior to her appointment, Commissioner Coleman was the Director of the Office of Community Engagement. She previously served as the Executive Director of the Missouri Workforce Investment Board at the Missouri Department of Economic Development, and was in a leadership role at the Missouri Department of Labor.

From 2001 until 2009, Commissioner Coleman served first as a State Representative and then as State Senator from St. Louis, becoming the first African-American woman in state history to serve as Senate Minority Leader.



While in the Missouri Senate, Commissioner Coleman sponsored the Hot Weather Rule (Law) which is designed to protect Missourians, particularly those who are older or low-income. The Hot Weather Rule prevents utilities from disconnecting cooling-related service for residential customers during summer weather extremes. She also sponsored legislation that became law to protect children from lead poisoning.

Commissioner Coleman previously held management level positions at the office of the Missouri Secretary of State and the St. Louis Housing Authority. She is a former member of the Board of Directors of Heat-Up/Cool-Down St. Louis. In the early 1980s, Commissioner Coleman worked in the transportation division of the Missouri Public Service Commission.

Commissioner Coleman has a B.A. in Journalism from Lincoln University in Jefferson City and was awarded a Doctor of Humane Letters Degree from Harris-Stowe State University in St. Louis in 2008.

A native of Sikeston, Missouri, Commissioner Coleman lives in St. Louis.

ROBERT KENNEY, *Commissioner*

Robert S. Kenney was appointed to the Missouri Public Service Commission on July 29, 2009 by Governor Jay Nixon. He was unanimously confirmed by the Missouri State Senate on January 13, 2010. He was named Chairman of the PSC by Governor Nixon on March 1, 2013 and served as Chairman until he stepped down from the Commission on August 7, 2015, following the expiration of his six-year term.

Kenney served on the boards and advisory boards of numerous organizations including: Institute for Electric Efficiency; National Regulatory Research Institute; Electric Power Research Institute; Financial Research Institute at the University of Missouri, Columbia; Eastern Interconnection States' Planning Council; Critical Consumer Issues Forum; and the Center for Public Utilities at New Mexico State University.



Kenney was an active member of the National Association of Regulatory Utility Commissioners (NARUC). He served as Chair of the Committee on Energy Resources and the Environment and on the NARUC Board of Directors. He also served on the Consumer Affairs Committee, the Subcommittee on Utility Market Place Access, and the International Relations Committee.

Robert Kenney stepped down from the Commission on August 7, 2015, following the expiration of his six-year term.

KEY COMMISSION PERSONNEL

(Area Code is 573 unless otherwise noted)

Commissioners

Daniel Y. Hall, Chairman 751-3243
Stephen M. Stoll, Commissioner 751-4221
William P. Kenney, Commissioner 751-7508
Scott T. Rupp, Commissioner 751-0946
Maida Coleman, Commissioner 751-4132

Administration and Regulatory Policy Division

Wess Henderson, Director 751-7435
Beth Oetting, Manager-Human Resources . . 751-5606
Robert Boone, Legislative Coordinator . . . 522-8708
John Hanauer
Manager-Information Services 522-2453
EFIS Toll-Free Help Desk 1-866-365-0924
Gay Fred, Manager-Consumer Services . . . 751-3160
Consumer Services Toll-Free
Hotline 1-800-392-4211
Kevin Kelly
Public Information Administrator 751-9300
Contessa Poole-King, Diversity Officer &
Community Outreach Coordinator 751-5239

General Counsel Division

Shelley Brueggemann, General Counsel. . . 526-7393
Morris Woodruff
Secretary/Chief Regulatory Law Judge . . . 751-2849
Cherlyn Voss, Manager
Regulatory Analysis Department 751-3966
Kim Happy, Manager-Data Center 522-6225

Commission Staff Division

Natelle Dietrich, Director 751-7427
Bob Schallenberg, Manager
Operational Analysis Department 751-7162
Kevin Thompson, Chief Staff Counsel 751-6514
John Van Eschen, Manager
Telecommunications Department 751-5525
Justin Smith, Manager
Manufactured Housing Department. 526-2833
Manufactured Housing Toll-Free
Hotline 1-800-819-3180
Jim Busch, Manager-Water &
Sewer Department 751-7529
Dan Beck
Manager-Engineering Analysis Unit 751-7522
John Rogers, Manager
Energy Resources Department 751-7524
Bob Leonberger
Manager-Safety/Engineering Unit 751-3456
Mike Scheperle
Manager-Tariff/Rate Design Unit. 751-5054
David Murray
Manager-Financial Analysis Unit 751-9160
Mark Oligschlaeger, Manager-Auditing
Department 751-7443
David Sommerer
Manager-Procurement Analysis Unit 751-4356
Lisa Kremer, Manager-Consumer &
Management Analysis Unit 751-7441

Jurisdiction and Goals

The Missouri Public Service Commission (Commission or PSC) was created in 1913 by the Public Service Commission Law, now Chapter 386 of the Missouri Revised Statutes. The Commission regulates investor-owned electric, natural gas, steam, water and sewer utilities in Missouri. The Commission also has limited jurisdiction over telecommunications providers in the state. In addition, the Commission regulates the operational safety of the state's rural electric cooperatives and municipally owned natural gas utilities. The Commission also regulates manufacturers and dealers of manufactured homes and modular units, and enforces initial home or unit installation.

The Commission oversees service territory issues involving investor-owned electric utilities, rural electric cooperatives, municipally-owned electric utilities, investor-owned water and sewer utilities and public water supply districts. Under federal law, the Commission acts as a mediator and arbitrator of local telephone service disputes regarding interconnection agreements.

Virtually every Missouri citizen receives utility service, whether it is electric, natural gas, water, sewer or telecommunications, from a company regulated in some manner by the Commission. Utility services and infrastructure are essential to the economy of Missouri. They provide heating and cooling during extreme temperatures. They offer access to emergency services and vital information systems. They provide safe drinking water and ensure the environmentally sound disposal of wastewater. Because utilities fulfill these essential needs, the Commission must assure the rate paying public that quality services will be available on a nondiscriminatory basis at just and reasonable rates.

Commissioners

The Commission consists of five commissioners who are appointed by the governor with the advice and consent of the Missouri Senate.

The governor designates one member as the chairman who serves in that capacity at the pleasure of the governor.

Commissioners are appointed to six-year terms. These terms are staggered so that no more than two terms expire in any given year.

The Commission is both quasi-judicial and quasi-legislative. The Commission is responsible for deciding cases brought before it and for the promulgation of administrative rules and enforcement. Many of the Commission's actions or decisions involve hearings of contested cases, which by statute must be transcribed by a court reporter. Hearings are held in a trial-like setting using evidentiary standards under the Missouri Administrative Procedures Act. The Commission must render decisions in a timely manner to afford all parties procedural and substantive due process, and to comply with statutory time limits.

PSC Staff

The Commission is assisted by a staff of professionals in the fields of accounting, consumer affairs, economics, engineering, finance, law and management. Duties range from helping individual consumers with complaints to investigating multi-million dollar utility rate requests.

The PSC Staff participates as a party in all cases before the Commission, conducting audits of the books and records of utilities and making recommendations to the Commission. PSC Staff recommendations, like those filed by other parties to a proceeding, are evaluated by the commissioners in reaching a decision. The Commission has established standards for safety and quality of service to which companies must adhere. Routine and special investigations of utilities are conducted by the PSC Staff to ensure compliance.

Weekly Agenda Meetings

The Commission holds weekly agenda meetings to discuss various cases, policies and rulemakings, and to issue its decisions. Those meetings are open to the public and are webcast on the Commission's website (www.psc.mo.gov).

ORGANIZATIONAL FUNCTIONS

In September 2015, the Commission announced several changes to the organizational structure of the agency. These changes, reflected below, took effect on October 1, 2015. The Commission periodically reviews the structure of the agency as well as its processes to determine whether any changes are necessary to further promote an efficient regulatory process that is fair and responsive to all parties. The changes announced in September are designed to do that.

Administration Division

Wess Henderson, Director

The Administration and Regulatory Policy Division is responsible for managing the Commission's human and fiscal resources. The division has agency-wide responsibilities with departments that are responsible for the annual budget, fiscal services and procurement, human resources and payroll. The Public Policy and Outreach Department, another department of the division, develops and distributes information to the media on agency activities, responds to media requests, and provides utility consumer education materials. The Legislative Coordinator, the agency's primary contact person with the General Assembly, is also assigned to this department and assists in responding to constituent inquiries. The Diversity Officer is also a part of the department.

The division also houses the Consumer Services Department, the clearinghouse for all utility consumer inquiries. Consumer Services investigates and responds to complaints to ensure compliance with Commission rules and utility tariffs. When a consumer has an issue that is not satisfactorily resolved after an initial contact with the utility, the consumer may call the Commission consumer hotline (1-800-392-4211) for assistance.



General Counsel Division

Shelley Brueggemann, General Counsel

The General Counsel is authorized by statute to represent the Commission in all actions and proceedings, whether arising under the Public Service Commission Law or otherwise. Attorneys in the General Counsel's Office appear in state and federal trial and appellate courts on behalf of the Commission. When authorized by the Commission, the General Counsel seeks civil penalties from persons or companies that have violated the Public Service Commission Law or the Commission's regulations or orders. The External Litigation Department manages and processes these cases. The General Counsel also provides legal advice to the Commission and each Commissioner as requested. The Regulatory Analysis Department, within the General Counsel's Division, represents the Commission's interests in various forums related to federal energy issues, including those before the Federal Energy Regulatory Commission, along with providing analysis on policy issues facing the Commission.

Secretary of the Commission

Morris Woodruff

The Adjudication Department is the Commission's quasi-judicial component. Regulatory law judges within the Adjudication Department handle cases from their filing until their resolution. The judge assigned to a case presides over any hearing, rules on objections and motions, and drafts orders, as directed or delegated by the Commission. The Secretary of the Commission is statutorily responsible for the records of the Commission and, acting through the Data Center, manages, maintains and preserves the official case files, tariffs and other official documents of the Commission. The Secretary, again acting through the Data Center, receives all incoming pleadings and issues all Commission orders.



ORGANIZATIONAL FUNCTIONS



Commission Staff Division

Natelle Dietrich Staff Director

The Staff Director is responsible for leading all departments of the Commission's Staff. The position supervises and coordinates a number of PSC Staff functions including rate cases, complaints, tariff filings, certificate applications, rulemakings and investigatory dockets. The Operational Analysis, Staff Counsel, Auditing, Energy Resources, Water and Sewer, Manufactured Housing and Telecommunications Department are a part of the Commission Staff Division.

The Commission Staff Division supports the Commission in meeting its statutory responsibilities by providing technical expertise in safety; utility rates, tariffs, rules and regulations; economic analysis; engineering oversight and investigations; and construction inspections. Commission Staff provide expertise in the areas of utility accounting, auditing, engineering, finance, management and natural gas procurement. Staff members perform audits, examinations, analyses and review the books and records of the utilities providing service in Missouri. The Commission Staff Division is also responsible for investigating and responding to consumer complaints and making recommendations to the Commission regarding their resolution. The Commission Staff Division accomplishes its mission by making recommendations to the Commission in the form of expert testimony, formal recommendations and presentations.

Attorneys in the Staff Counsel's Department represent the PSC Staff in administrative matters before the Commission. The Staff Counsel's Department also provides legal advice to the PSC Staff.



Photo by Mark Hughes

REGULATORY ACTIVITY

GENERAL UTILITY CASES

Security Practices for Protecting Essential Utility Infrastructure

(File No. AW-2015-0206)

In July 2012, the Commission opened a working case to address concerns about effective cybersecurity practices for protecting essential electric utility infrastructure. On February 19, 2015, the PSC Staff filed a motion explaining that participants to that working case agreed that review of security practices should be expanded to include all utilities and to include physical security threats as well as cybersecurity threats.

The Commission opened File No. AW-2015-0206 as a working case to review and consider the physical and cyber security practices of all Missouri utilities. A workshop was held on March 23, 2015, and the Commission has collected information from electric, natural gas, water, sewer and telecommunications companies about their physical and cyber security practices.

Working Case to Consider Proposals to Create a Revenue Decoupling Mechanism for Utilities

(File No. AW-2015-0282)

On February 27, 2015, Missouri-American Water Company filed a petition in File No. WX-2015-0209, asking the Commission to promulgate a rule to allow water and sewer utilities to petition the Commission to establish a

revenue decoupling mechanism. The Commission denied Missouri-American's rulemaking petition, but indicated it would open a working case to further consider the concept of a revenue decoupling mechanism.

On May 1, 2015, the Commission issued a notice of a new proceeding to address revenue decoupling mechanisms for utilities. Interested stakeholders were invited to submit comments by September 1, 2015 and the PSC Staff was ordered to file a report by November 2, 2015.

Working Case to Consider Mechanisms to Encourage Infrastructure Efficiency

(File No. EW-2016-0041)

On August 26, 2015, the Commission opened a working case to consider mechanisms to encourage electric infrastructure efficiency.

The Commission is interested in exploring whether existing electric utility infrastructure is detrimentally underutilized, whether that underutilization can be identified geographically and quantified, whether there are rate design mechanisms or other tariff provisions that may incentivize more efficient use of existing infrastructure to the benefit of both customers and companies, and whether there are public policy considerations the Commission should consider in weighing the value of any such mechanisms or provisions.

A workshop with interested stakeholders is scheduled for November 13, 2015 with the Commission Staff to complete its investigation and file its results and recommendations by December 11, 2015.



ELECTRIC Rate Cases Decided

Ameren Missouri (Case No. ER-2014-0258)

On July 3, 2014, Ameren Missouri filed an electric rate case with the Commission seeking to increase annual electric revenues by approximately \$264.1 million (9.65%). According to Ameren Missouri, the rate request was driven by several factors, including:

- Continued investment in the company's generation and energy delivery systems, including large investments in environmental controls at the company's Labadie Energy Center and a new reactor vessel head at the company's Callaway Energy Center.
- Escalating net energy costs.
- The recovery of solar rebates.
- Recovery of the revenue requirement associated with the company's new O'Fallon Solar Energy Center.
- Other revenue requirement increases.

The Commission granted Ameren Missouri an electric rate increase of approximately \$121.5 million (4.46%) in an order issued on April 29, 2015, with new electric rates taking effect on May 30, 2015.

The Commission's Report and Order outlined a new Industrial Aluminum Smelter (IAS) rate schedule with 21 criteria, which will provide a reduced load retention rate applicable to Noranda Aluminum, Inc.'s (Noranda) aluminum smelter located in southeast Missouri.

According to the Report and Order, the Commission will assess, in future rate cases, whether Noranda should be allowed to continue to receive a reduced load retention rate based on the competent and substantial evidence presented in such cases, including the economic conditions at the time of that case.

The Empire District Electric Company (Case No. ER-2014-0351)

On August 29, 2014, The Empire District Electric Company (Empire) filed an electric rate case with the Commission seeking to increase annual electric revenues by approximately \$24.3 million (5.5%).

According to Empire's filing, the most significant factor driving the need for a rate increase was cost associated with the installation of the Air Quality Control System (AQCS) at the Asbury Power Plant. Additional factors driving the need for a rate increase included increased operating costs; a new maintenance contract covering the Riverton 12 gas fired generating unit; an increase in Regional Transmission Organization charges; and increases in property taxes.

The Commission granted Empire an electric rate increase of approximately \$17.1 million (3.88%) in an order issued on June 24, 2015. New electric rates took effect on July 26, 2015.

Empire was allowed to continue to use its Fuel Adjustment Clause (FAC), which will allow Empire to adjust customer bills between rate cases to reflect increases or decreases in the cost of fuel used to generate electricity.

Kansas City Power & Light Company (Case No. ER-2014-0370)

On October 30, 2014, Kansas City Power & Light Company (KCPL) filed an electric rate case with the Commission seeking to increase annual electric revenues by approximately \$120.9 million (15.75%). According to KCPL, key components of the rate request are:

- Environmental investments at the La Cygne Generating Station and upgrades to the Wolf Creek Nuclear Generating Station.
- New infrastructure investments to ensure reliability, security and dependable service to customers.
- Transmission costs and property taxes.
- Requested authorization to implement a fuel adjustment clause (FAC) including transmission costs.

On September 2, 2015, the Commission granted KCPL an electric rate increase of approximately \$89.7 million. The Commission also determined that KCPL met the criteria to implement an FAC.



Rate Cases Decided During the 2015 Fiscal Year

Date of Order	Case No.	Company	Rate Request	PSC Decision
4/29/15	ER-2014-0258	Ameren Missouri	\$264 million	\$121.5 million
6/24/15	ER-2014-0351	Empire District Electric	\$24.3 million	\$ 17.1 million

REGULATORY ACTIVITY

Complaint Cases

Noranda Aluminum, Inc., et al vs Ameren Missouri (Case No. EC-2014-0223)

On February 12, 2014, Noranda Aluminum, Inc. and 37 other individual customers of Ameren Missouri (Complainants) filed a complaint with the Commission against Ameren Missouri, alleging that Ameren Missouri was earning in excess of its authorized return on equity. The complaint asked the Commission to review Ameren Missouri's rates and to revise those rates to just and reasonable levels.

In a Report and Order dated October 1, 2014, the Commission concluded that the Complainants failed to meet their burden of proving that Ameren Missouri's current rates were no longer just and reasonable. The Commission, therefore, denied and dismissed the complaint.

Noranda Aluminum, Inc., et al vs Ameren Missouri (Case No. EC-2014-0224)

On February 12, 2014, Complainants filed a complaint with the Commission against Ameren Missouri, asking that Ameren Missouri be required to create a new service classification for aluminum smelters which would reduce rates for Noranda. The complaint concerned the rate Ameren Missouri charged Noranda for electricity and electrical service that Ameren Missouri sells to Noranda. In this complaint, Noranda submitted a rate relief proposal that it stated would keep it viable and sustainable.

Noranda's request was founded on three contentions: 1) Noranda's aluminum smelter is crucial to Missouri's economy; 2) the smelter cannot be sustained without the rate relief requested; and 3) all Ameren Missouri ratepayers will directly benefit from the relief requested because granting that relief is more beneficial to Ameren Missouri's other customers compared to Noranda leaving the Ameren Missouri system.

On August 20, 2014, the Commission issued its Report and Order stating that while there is substantial evidence in the record regarding the impact of the smelter on southeast Missouri and on the State, the evidence does not support the second and third of the Complainant's contentions. Furthermore, the Commission is obligated to consider all relevant factors when adjusting rates, as it would do in the context of a rate case; but in their complaint, the Complainants presented only a fraction of the evidence required for the Commission to conduct an "all relevant factors" analysis. The Commission found that the Complainants failed to carry their burden to show that Ameren Missouri's rate design should be modified in the manner the Complainants proposed; therefore, the complaint was denied and dismissed.

Other Cases

Grain Belt Express Clean Line LLC (Case No. EA-2014-0207)

On March 26, 2014, Grain Belt Express Clean Line LLC (Grain Belt Express) submitted an application for a certificate of convenience and necessity authorizing it to construct, own, operate, control, manage, and maintain electric

RESIDENTIAL

State Name	Avg. Revenue (cents/kWh)	State Rank
Washington	8.71	1
North Dakota	9.25	2
West Virginia	9.33	3
Arkansas	9.49	5
Oklahoma	9.96	7
Kentucky	10.05	8
Tennessee	10.33	10
Nebraska	10.44	11
Missouri	10.59	15
Indiana	11.25	19
Iowa	11.35	20
Illinois	11.41	22
Kansas	12.13	28
U.S. Average	12.50	
Connecticut	19.59	49
New York	20.05	50
Hawaii	37.34	51

COMMERCIAL

State Name	Avg. Revenue (cents/kWh)	State Rank
Idaho	7.79	1
Washington	7.93	2
West Virginia	7.99	3
Oklahoma	8.02	4
Arkansas	8.02	4
Illinois	8.73	10
Iowa	8.74	11
Nebraska	8.74	11
Missouri	8.82	16
Kentucky	9.34	19
Indiana	9.83	25
Kansas	10.03	27
Tennessee	10.37	33
U.S. Average	10.75	
New York	16.11	49
Alaska	17.18	50
Hawaii	34.32	51

INDUSTRIAL

State Name	Avg. Revenue (cents/kWh)	State Rank
Washington	4.32	1
Montana	5.47	2
Oklahoma	5.61	3
Kentucky	5.67	4
Iowa	5.77	5
Arkansas	5.93	7
Missouri	6.19	12
Illinois	6.35	15
Tennessee	6.58	21
Indiana	6.87	26
U.S. Average	7.01	
Nebraska	7.30	33
Kansas	7.47	35
Connecticut	12.95	49
Alaska	15.78	50
Hawaii	30.22	51

Source: U.S. Energy Information Administration's Electric Power Monthly-February 2015 issue. Data is 12 months ending December 2014.

transmission facilities within Buchanan, Clinton, Caldwell, Carroll, Chariton, Randolph, Monroe and Ralls Counties, Missouri, as well as an associated converter station in Ralls County.

The application states that approximately 206 miles of a high voltage, direct current (HVDC) transmission line will be built from Kansas into Missouri, Illinois and Indiana, with a converter station in Ralls County and alternating current (AC) interconnecting facilities, to deliver “low-cost, wind-generated energy from western Kansas to load and population centers in Missouri, Illinois, Indiana and other states in the region”.

In its Report and Order, issued July 1, 2015, the Commission found that Grain Belt Express is qualified and has the financial ability to provide the service. However, the Commission concluded that Grain Belt Express failed to meet its burden of proof to demonstrate the service is needed in Missouri or is economically feasible and failed to demonstrate the project promotes the public interest.

The Commission’s vote was 3-2 with Chairman Daniel Hall and former Chairman Robert Kenney filing dissenting opinions.

Ameren Missouri Certificate of Convenience and Necessity (Case No. EA-2012-0281)

On January 24, 2013, Ameren Missouri applied for a certificate of convenience and necessity seeking Commission authority to expand the boundaries of its Labadie Energy Center so that it can construct and operate a utility waste landfill and conduct other plant-related operations at the site. Parties in the case filed multiple rounds of testimony and the Commission held two local public hearings to receive testimony from interested members of the public.

An evidentiary hearing was held in March and April 2014. On July 2, 2014, the Commission granted Ameren Missouri a certificate of convenience and necessity conditioned upon Ameren Missouri having obtained all necessary construction and land disturbance permits from the Missouri Department of Natural Resources.

Ameren Transmission Company of Illinois (Case No. EA-2015-0145)

On February 20, 2015, Ameren Transmission Company of Illinois (ATXI) submitted a conditional application for a certificate of convenience and necessity authorizing it to own, acquire, construct, operate, control, manage and maintain an electric transmission line, including a new switching station within Marion County, Missouri; or alternatively, for an order declining jurisdiction and dismissing the conditional application on the grounds that the Commission does not have jurisdiction over ATXI because ATXI is not a “public utility” under Missouri law. On June 2, 2015, the Commission issued an Order Granting Certificate of Convenience and Necessity to ATXI.

Ameren Transmission Company of Illinois (Case No. EA-2015-0146)

On May 29, 2015, ATXI submitted a conditional application for a certificate of convenience and necessity authorizing it to construct, install, operate, control, manage and maintain a new 345,000 volt (345-kV) electric transmission line running

generally from Palmyra, Missouri and extending westward to a new substation located near Kirksville, Missouri, and a new 345-kV transmission line extending from the new substation north to the Iowa border, and a 2.2 mile 161,000 volt (161-kV) connector line from the new substation to an interconnection with the existing Adair substation owned by Union Electric Company d/b/a Ameren Missouri; or alternatively, for an order declining jurisdiction on the grounds that the Commission does not have jurisdiction over ATXI because ATXI is not a “public utility” under Missouri law. An evidentiary hearing will be held in January 2016.

Carbon Emission Reduction Standards for Power Plants

On June 25, 2013, President Barack Obama issued a Presidential Memorandum directing the Environmental Protection Agency (EPA) to develop carbon pollution standards for power plants as part of the President’s Climate Action Plan. The EPA released proposed guidelines in June 2014 that were designed to reduce greenhouse gas emissions from existing fossil fuel-fired electric generating units (i.e., power plants that generate electricity using coal).

In December 2013 and December 2014, the Commission sent comments to the EPA, requesting maximum flexibility to meet Missouri’s specific circumstances and expressing concerns with the proposed guidelines. The EPA issued its final rule - Carbon Pollution Emission Guidelines for Existing Stationary Sources: Electric Utility Generating Units on August 3, 2015.

The Commission has and will continue to work closely with the Missouri Department of Natural Resources-Air Pollution Control Program (MDNR), as well as, the Department of Economic Development-Division of Energy, to review the President’s directive and the final rule.

Fuel and Purchase Power Prudence Reviews

Three investor-owned electric utilities - Ameren Missouri, Empire and KCP&L-GMO have Commission-approved FACs through which the electric utility recovers from or refunds to customers 95 percent of fuel and purchased power costs, net of off-system sales revenues, which have been under-collected or over-collected relative to a base amount set in the utility’s last general rate case.

In fiscal year 2015, the PSC Staff completed prudence reviews of fuel and purchased power related costs included in the FACs of KCP&L-GMO (File No. EO-2014-0242) and Ameren Missouri (File No. EO-2015-0060). The PSC Staff investigated each utility to determine whether the conduct of the utility’s decision-makers was reasonable at the time, under all the circumstances, considering the utility had to make decisions prospectively rather than relying on hindsight. As a result of these prudence reviews, the PSC Staff found no imprudence by the decision-makers of KCP&L-GMO or Ameren Missouri.

Electric Utility Resource Planning Filings

The fundamental objective of the Chapter 22 Electric Utility Resource Planning process is to provide the public with energy services that are safe, reliable and efficient, at just and reasonable rates, in compliance with all legal mandates, and in a manner that serves the public interest and is consistent with state energy and environmental policies.

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The fundamental objective also requires that the utility consider and analyze demand-side resources, renewable energy and supply-side resources on an equivalent basis, subject to compliance with all legal mandates that may affect the selection of utility electric energy resources, in the resource planning process. Further, Chapter 22 requires that electric utilities normally file on April 1 of each year, either a triennial compliance filing or an annual update filing to comply with 4 CSR 240-22.080(1) or 4 CSR 240-22.080(3), respectively. The following Chapter 22 triennial compliance filings were made in 2015:

- Ameren Missouri on October 1, 2014 (File No. EO-2015-0084);
- KCPL on April 1, 2015 (File No. EO-2015-0254); and
- KCP&L-GMO on April 1, 2015 (File No. EO-2015-0252)

On March 11, 2014, Empire filed its Chapter 22 annual update report in File No. EO-2015-0216.

Missouri Energy Efficiency Investment Act

The Missouri Energy Efficiency Investment Act (MEEIA), 393.1075 RSMo, Supp. 2015, was passed by the Missouri legislature and signed by Governor Nixon in August 2009. The purpose of MEEIA is to encourage investor-owned electric utilities to develop and implement demand-side management programs, which are commonly called energy efficiency programs or demand response programs. Rules to implement MEEIA became effective May 30, 2011. The rules provide procedures for filing and processing applications for approval, modification and discontinuance of electric utility demand-side programs and for the establishment and operation of demand-side programs investment mechanisms, and also allow for periodic adjustments in customers rates between general rate cases related to the

recovery of costs and utility incentives for investments in demand-side programs.

Filed on December 22, 2011, in Case No. EO-2012-0009, the MEEIA filing of KCP&L-GMO requested approval of 15 demand-side programs and a demand-side programs investment mechanism. A non-unanimous stipulation and agreement was filed on October 29, 2012 and approved by the Commission on November 15, 2012. DSM program implementation began January 26, 2013, and will end December 31, 2015. A demand-side programs investment mechanism (tracker) will allow \$18 million annual revenue requirement for recovery of demand-side programs' costs and recovery of fixed operating costs and will allow the company to earn a future performance incentive award based on after-the-fact verified energy and demand savings and annual net shared benefits from the programs.

Filed on January 20, 2012, in Case No. EO-2012-0142, the MEEIA filing of Ameren Missouri requested approval of 11 demand-side programs and a demand-side program investment mechanism. On August 1, 2012 the Commission approved a unanimous stipulation and agreement approving the demand-side programs to begin January 2, 2013 and to end December 31, 2015 and a demand-side program investment mechanism (tracker) which will allow \$80 million annual revenue requirement for recovery of demand-side programs' costs and recovery of fixed operating costs and which will allow the company to earn a future performance incentive award based on after-the-fact verified energy savings and annual net shared benefits from the programs. The tracker was replaced by a rider on January 27, 2014 (File No. EO-2014-0075).

Filed on January 7, 2014, in Case No. EO-2014-0095, KCPL's MEEIA filing requested approval of demand-side programs and a demand-side programs investment mechanism. A non-unanimous stipulation and agreement was filed on May 27, 2014 and approved by the Commission on June 5, 2014. Implementation of 12 programs began July 6, 2014 and will end December 31, 2015. A demand-side programs investment mechanism (rider) was also implemented on July 6, 2014 which will allow recovery of demand-side program costs and recovery of fixed operating costs and which will allow the company to earn a future performance incentive award based on after-the-fact verified energy and demand savings and annual net shared benefits from the programs.

Commission rules require that a prudence review of the costs subject to each approved demand-side program investment mechanism (DSIM) be conducted by the PSC Staff no less frequently than at 24-month intervals. All amounts ordered refunded by the Commission shall include interest at the electric utility's short-term borrowing rate.

In fiscal year 2015, the PSC Staff completed its first prudence review of costs for the DSIM of Ameren Missouri (File No. EO-2015-0029). The PSC Staff investigated the utility to determine whether the conduct of the utility's decision-makers was reasonable at the time, under all the circumstances, considering the utility had to make decisions prospectively rather than relying on hindsight. The PSC Staff's review found no imprudence by the decision-makers of Ameren Missouri.



Federal Electric Activities

The Commission balances the interest of Missouri's ratepayers and utility companies by regularly participating in the meetings of the two Regional Transmission Organizations (RTO) active in Missouri: the Midcontinent Independent System Operator (MISO) and the Southwest Power Pool (SPP). RTOs are organizations mandated by the Federal Energy Regulatory Commission (FERC) to: operate the interstate Electric Transmission Grid (the Grid); plan upgrades and expansions of the Grid; manage wholesale electric markets through which utilities buy and sell electricity to one another; and to ensure reliable supplies of electric power. The Commission participates in RTO activities to ensure electric services are provided reliably and safely at reasonable rates to Missouri electric customers and ratepayers.

Southwest Power Pool

Missouri electric utilities that are members of SPP include: KCPL, KCP&L-GMO, Empire and City Utilities of Springfield. In addition, many municipal utilities and cooperatives in Missouri participate in SPP, either by being members or by buying and selling energy.

To protect the economic and electric transmission reliability interests of Missouri, the PSC Staff regularly attends and participates in:

- the SPP Project Cost Working Group meetings to ensure projects are constructed using good utility practice and to ensure cost overruns are constrained;
- the Cost Allocation Working Group, which advises the Commissioners and the Regional State Committee (made up of state utility commissions) on cost allocations methodologies;
- the Economic Studies Working Group, which prepares study parameters used in forecasts to determine future projects' needs;
- the Regional Tariff Working Group, which writes revisions to the SPP Open Access Transmission Tariff;
- the Capacity Margin Taskforce, which is determining how SPP should set member's capacity margin requirements; and,
- the Seams Steering Committee, which develops procedures to manage the relationship between other regional transmission groups and non-SPP affiliated utilities.

SPP's Integrated Marketplace

In fiscal year 2015, the SPP continued its Integrated Marketplace for the second year. The SPP Integrated Marketplace allows all SPP member electric load serving entities and electric generators, including Missouri investor-owned electric utilities, to purchase and sell electricity on a day-ahead basis. This market is estimated to save SPP members approximately \$131 million per year.

Regional Cost Allocation Review

In July 2014, SPP began its second Regional Cost Allocation Review to determine if its Highway/Byway cost allocation protocol is equitably allocating electric transmission projects' costs and benefits across the SPP footprint. Commissioner Stephen Stoll was appointed in



January 2015 as the chair of the Regional Allocation Review Task Force.

Environmental Protection Agency Impacts

On a regional basis, the retirement of coal-fired electric generation plants due to states complying with the new EPA Clean Power Plan are compelling the RTOs to develop plans to use more natural gas-fired generators and renewable resources to produce electricity. From a regional perspective, SPP is concerned that generating capacity relied upon in emergencies and for future generating ability will be reduced. Previously, that capacity was substantial but is declining and will become a concern in the near future. The SPP taskforce, developing new regional capacity requirements for SPP members, is still in development but will ensure the region's reliable access to electricity under the new emissions rules. The PSC Staff participates on this task force.

Midcontinent Independent Transmission System Operator

Entergy Expansion

In December 2013, MISO expanded to include the Entergy system, including facilities in Arkansas, Louisiana, Mississippi and Texas. The impact of that continued to be felt in fiscal year 2015.

The Entergy system footprint is now commonly referred to as "MISO South" and is electrically connected to the original MISO footprint by a single transmission line in the Missouri Bootheel. The energy flows between MISO north and south exceeded the capacity of the single line between the two regions and flowed over facilities of Missouri utilities in SPP and Associated Electric Cooperatives, Inc. In response to these flows a number of cases and complaints were initiated by SPP before FERC. The Commission has actively monitored this situation.

KCP&L-GMO and Empire (Companies) each have an ownership interest in power plants outside of their franchised territory, and use Entergy/MISO controlled transmission facilities to serve their customers in Missouri. The charge to use these Entergy/MISO facilities to move electricity from

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these power plants to Missouri, called the “Regional Through And Out Rate”, increased significantly when Entergy joined MISO. Each of the Companies and the Commission have made filings to FERC, in FERC Dockets No. EL13-948 and EL14-19, that this increase of costs improperly burdens Missouri ratepayers while receiving no additional benefits for the increase in transmission costs. FERC has yet to rule in these dockets. Parties, including the Commission, are continuing settlement discussions on this matter.

MISO Transmission Expansion

In December 2013, the MISO Board of Directors approved the 2013 MISO Transmission Expansion Plan (MTEP13), a planning process that determines electric transmission expansion and upgrade projects that may be needed in 20 years. The Commission with and through the Organization of MISO States (OMS) was heavily involved in that planning process. This MTEP contains 317 new projects. OMS and the PSC Staff advocated diligently recommending that MISO define the proper portfolio of transmission projects, and that MISO properly calculate both the costs and the benefits related to the planned projects.

To protect Missouri’s interests, the PSC Staff continued its participation in multiple MISO stakeholder committees, including the Planning Advisory Committee (PAC) and Regional Expansion Criteria Benefits (RECB) Work Group meetings. The PAC deals with transmission project planning for the MISO footprint. The RECB develops criteria for planning which transmission projects should be constructed in the MISO footprint. During fiscal year 2015, the PSC Staff helped refine the scenario analysis used to determine which transmission projects should be built and evaluated and whether additional transmission project benefit metrics were needed.

Additionally, the PSC Staff participated in the Supply Adequacy Working Group. The Supply Adequacy Working Group covers issues involving Resource Adequacy, including MISO’s annual Planning Resource Auction. MISO is considering several possible changes to its Planning Reserve Auction, possibly including a seasonal auction of capacity. The PSC Staff continues to make sure Missouri’s interests are represented in these discussions by participating in the draft of “hot topic” responses of the Organization of MISO States.

MISO and SPP are continuing the process of renegotiating their Joint Operating Agreement which governs their *inter*-RTO electrical exchanges. Because the border between MISO and SPP runs through Missouri, the outcome of these negotiations will affect the amount Missouri utilities pay for energy transactions between the two RTOs and the price Missouri utilities would receive when they sell energy through the RTOs. With the launch of the SPP-MISO “Market to Market” initiative in March 2015, there is a continued need to determine how energy prices are set at the SPP-MISO border, including many spots within Missouri. The PSC Staff has been actively involved in this process.

Chairman Daniel Hall serves on the Organization of MISO States Board of Directors.

Federal Energy Regulatory Commission (FERC) Dockets

The Commission actively participates in proceedings at FERC because FERC regulates interstate electric companies

and its decisions directly affect Missouri electric consumers. During the 2015 fiscal year, the Commission intervened or participated in 59 electric cases before FERC.

FERC Order 1000

FERC Order 1000 is a federal administrative agency rule reforming federal electric transmission planning and cost allocation requirements for planning regions including American Electric Cooperative, Inc. (AECI), SPP and MISO. Missouri is in an unusual position in that an RTO boundary (or seam) splits the state between SPP, MISO and AECI. To ensure Missouri and its electric ratepayers interests are represented, the PSC Staff participates in SPP and MISO FERC Order 1000 working groups.

Commission Filings in FERC Transmission Formula Rate Proceedings

The Commission sought more transparency in the transmission formula rate annual review process by filing comments and protests in a number of transmission formula rate cases. The Commission also contributed to transmission formula rate protocol comments filed by the Organization of MISO States (OMS).

Overearnings complaint cases were filed against MISO transmission owners and SPP transmission owner, Westar Energy. These cases are related to charges billed through SPP and MISO for the transmission of electric power within each RTO service territory. Missouri local distribution companies (LDC) pass these costs on to their customers. Transmission formula rates will continue to increase as additional transmission projects are built within the SPP and MISO service territories. The Commission’s participation in these cases protects the interests of Missouri electric customers by challenging what appear to be excessive costs.

Transmission formula rate cases in which the Commission participated, with significant impact on Missouri electric customers, are discussed below:

FERC Docket No. EL14-93

The Kansas Corporation Commission (KCC) filed a complaint against Westar Energy stating that its previously authorized SPP transmission formula rate return on equity (ROE) now leads to rates that are no longer just and reasonable. The KCC proposed an annual rate reduction of \$15.8 million. The Commission filed comments in the case and participated in settlement negotiations that led to an ultimate annual reduction of approximately \$7.9 million. The Westar rate reduction will reduce costs to Empire, KCPL and KCP&L-GMO. Other Missouri utility members of SPP will also see cost reductions resulting from the Westar settlement.

FERC Docket No. EL14-12

Several organizations of large industrial electric energy consumers in Illinois, Indiana, Michigan, Minnesota and Wisconsin filed an overearnings complaint case against MISO transmission owners in November 2013. The complainants challenged the just and reasonableness of the ROE being collected by MISO transmission owners through transmission formula rates. The Commission intervened in this case and also supported the collective efforts by the state commissions within MISO service territory. The Commission contributed to the comments filed by the OMS

and the litigation strategy leading up to the August 2015 hearing. The final FERC decision in this case is expected in the spring of 2016. The outcome of this case will affect MISO members, including Ameren Missouri.

NATURAL GAS

Summit Natural Gas of Missouri Gas, Inc. (Case No. GR-2014-0086)

On January 2, 2014, Summit Natural Gas of Missouri, Inc. (SNG) filed a natural gas rate case with the Commission seeking to increase annual natural gas operating revenues by approximately \$7.5 million. SNG stated that the proposed increase was needed to cover increased operating expenses as well as the construction of new service facilities. The Commission authorized a rate increase of approximately \$7.1 million, including funding for low-income programs. New rates went into effect December 14, 2014.

Liberty Utilities (Midstates Natural Gas) Corp. d/b/a Liberty Utilities (Case No. GR-2014-0152)

On February 6, 2014, Liberty Utilities ("Liberty") filed a natural gas rate case with the Commission designed to increase Liberty's annual revenues by approximately \$7.6 million, including amounts being recovered by Liberty through its Infrastructure Replacement Surcharge (ISRS). Liberty stated the proposed increase was needed to cover increased costs relating to certain operating expenses, construction of new gas service facilities and return requirements on rate base. The Commission authorized a rate increase of approximately \$4.87 million, including funding for low-income programs. New rates went into effect January 4, 2015.

Natural Gas Pipeline Safety Program

The Commission has gas safety jurisdiction over all intrastate natural gas pipeline operators in the state which includes five intrastate transmission pipelines, five investor-owned natural gas distribution utilities (all of which have intrastate transmission pipelines and all of which have multiple operating districts/inspection units), 41 municipally-owned natural gas distribution systems (one of which also has an intrastate transmission pipeline), one gas distribution system owned and operated by a private company on a U.S. Department of Defense facility at Fort Leonard Wood, and three pipeline systems that supply landfill gas directly to customers including a high school, a correctional facility gas-fired electric generation turbine, and a commercial customer.

PSC Safety/Engineering Staff are in the field throughout the year evaluating these pipeline systems. During the 2014 calendar year, Safety/Engineering Staff conducted 81 comprehensive office and field inspections, follow-up inspections, construction inspections and other investigations. These inspections/investigations resulted in Safety/Engineering Staff being in the field over 516 inspection-person days.

The Commission's natural gas pipeline safety program is carried out under a cooperative agreement with the U. S. Department of Transportation – Pipeline and Hazardous Materials Safety Administration. As a part of this program, the Commission has adopted the applicable federal pipeline safety regulations, including 49 CFR Part 192, that make up the "minimum" federal safety standards applicable to natural gas pipelines.

The Commission continues to take a proactive approach to pipeline safety in Missouri with pipeline safety rules, which are in many cases, more stringent than current federal regulations. This approach includes looking at and extensively evaluating various pipeline replacement programs, leak survey inspections, leak investigations and classifications, corrosion control of steel pipelines, and other pipeline safety programs.

Intrastate natural gas pipeline operators are divided into 98 "inspection units" for purposes of the Program's annual comprehensive inspections, which include over 27,000 miles of natural gas distribution mains, approximately 1,000 miles of intrastate natural gas transmission pipelines and over 1.5 million service lines.

Incident Investigation Laclede Gas Company (Case No. GS-2014-0226)

On February 5, 2014, a natural gas explosion and resulting fire destroyed the office of the Stars Design Group at 2222 Menard Street in the Soulard neighborhood of St. Louis, Missouri. No fatalities or serious injuries occurred as a result of this event. Property damage estimates totaled approximately \$850,000.

PSC Safety/Engineering Staff conducted a thorough investigation beginning the day of the incident. On December 18, 2014, Staff filed its Gas Incident Report explaining in detail events leading up to and following the explosion, the facts of the incident, as well as Staff's analysis and conclusions. Based on Staff's investigation, analysis, and conclusions related to the PSC's pipeline safety regulations, Staff concluded the incident was the result of actions by a subcontractor working on behalf of AT&T and the Staff made no recommendations regarding Laclede Gas Company (Laclede).

Rate Cases Decided During the 2015 Fiscal Year

Date of Order	Case No.	Company	Rate Request	PSC Decision
10/29/14	GR-2014-0086	Summit Natural Gas	\$7.5 million	\$7.1 million
12/3/14	GR-2014-0152	Liberty Utilities	\$7.6 million	\$4.87 million

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Incident Investigation Missouri Gas Energy (MGE) (Case Nos. GS-2013-0400 and GC-2014-0216)

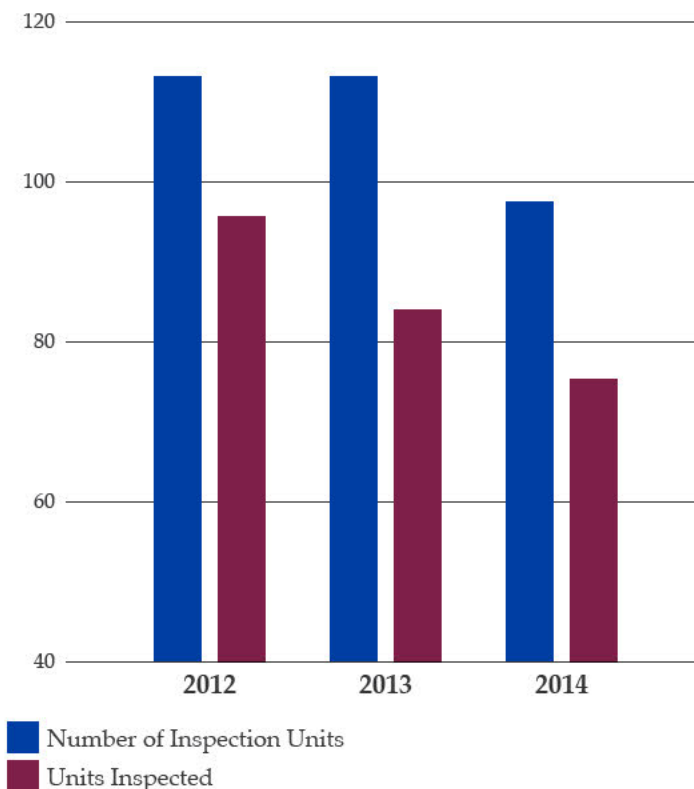
On February 19, 2013, there was a natural gas explosion and fire at JJ's Restaurant located at West 48th Street and Bellevue Avenue in Kansas City. The explosion and fire resulted in one fatality, several serious injuries and millions of dollars in damage. On February 6, 2014, PSC Safety/Engineering Staff filed its Gas Incident Report. Staff also filed a complaint against Missouri Gas Energy (MGE) on that same day describing alleged violations of natural gas regulations regarding leak investigations prior to the explosion.

Staff engaged in discussions with MGE regarding Staff's proposed recommendations that were contained in the Report. On February 11, 2015, the parties filed an agreement that the parties believe address the recommendations made in the Report and the matters raised in the Complaint.

As part of the settlement, representatives of MGE, Laclede and Staff, as well as any other interested stakeholders that desire to participate, will begin meeting to develop a statewide policy and apparatus for communication and coordination between gas utilities, fire departments and other emergency responders.

The purpose of such a statewide group would be to enhance the effectiveness of efforts to respond to instances where a gas leak has occurred, as well as the effectiveness

Missouri Jurisdictional Natural Gas Operator Inspection Units Gas Safety/Engineering



of efforts to prevent third party damage to natural gas facilities. The estimated cost to MGE to implement these first responder outreach programs, as reflected in the agreement was over \$100,000. The costs to implement the terms of the agreement will be borne by MGE and not recovered in its next rate case.

The Commission opened a working case (File No. GW-2016-0013) to facilitate discussion of these issues.

Procurement Analysis

Natural Gas ACA Activities

There are five natural gas local distribution companies (LDCs) serving Missouri – Ameren Missouri, Liberty Utilities, The Empire District Gas Company, Laclede Gas Company (Missouri Gas Energy and Laclede Gas are operating divisions of Laclede Gas Company) and Summit Natural Gas of Missouri.

The Procurement Analysis Unit conducts an annual Actual Cost Adjustment (ACA) review for each natural gas local distribution company after the LDCs close out their records following the end of each ACA period. A primary purpose of the ACA process is to reconcile the company's actual gas costs with what it charged customers (its billed revenues).

In its purchased gas adjustment (PGA) filings, the company estimates its gas costs for the upcoming year. In the ACA, the estimate is reconciled with the actual prudently incurred cost of gas. In this function, the Procurement Analysis Unit reviews the LDC's true-up of gas costs for the period under review. A comparison of billed revenue recovery with actual gas costs will normally yield either an over-recovery or under-recovery of the ACA balances.

Another purpose of the ACA process is to examine the prudence of the LDC's gas purchasing and operating decisions. For its analysis, the PSC Staff reviews the estimated peak day requirements and the capacity levels to

meet those requirements; peak day reserve margin and the rationale for this reserve margin; natural gas supply plans for various weather conditions; and hedging for the ACA period.

The PSC will consider the financial impact on customers of the LDC's use of its gas supply, transportation, and storage contracts in light of the conditions and information available when the operational decisions were made.

The Procurement Analysis Unit, in conjunction with other PSC Staff, held discussions with the LDCs regarding their hedging activities for the 2014/2015 winter. These discussions were held to inquire as to whether the LDCs were taking actions to mitigate the effects of potential winter price spikes on their price of gas.

Other Proceedings

Although focused largely on natural gas ACA activities, the Procurement Analysis Unit, because of its knowledge of natural gas issues, assisted in the review of LDC complaint cases, merger cases, proposed tariff changes, and natural gas rate cases. The Procurement Analysis Unit also assisted in the review of affiliated transactions that impacted the recovery of gas costs.

The Procurement Analysis Unit also monitors conditions in the natural gas markets and provides a monthly market report. The winter of 2013-2014 experienced cold weather causing prices to spike. Otherwise, since early 2010 a period of relatively stable prices has prevailed. These relatively stable prices have been attributed to increased shale supplies, among other factors.

Federal Natural Gas Activities

The Commission strives to ensure that Missouri consumers receive reliable natural gas transportation service at reasonable rates. This is why the Commission actively participates at FERC. FERC regulates interstate natural gas pipeline companies and its decisions directly affect Missouri natural gas consumers. During the 2015 fiscal year, the Commission intervened or participated in 33 natural gas cases before FERC.

The Commission focuses its participation at FERC in company specific and generic proceedings of those pipelines having the greatest impact on Missouri consumers and/or those where representation of Missouri interests is otherwise limited or absent. Such cases include those relating to Missouri's LDCs, for both natural gas utilities and electric utilities that generate energy with natural gas powered combustion turbines, that must rely on FERC regulated interstate pipelines for storage and delivery of their natural gas supplies.

Currently 11 interstate pipelines physically located within the boundaries of the state of Missouri are able to serve Missouri utility companies, with an additional 4-6 upstream pipelines providing transportation and, in some cases, natural gas storage service. Three pipelines deliver the majority of the state's natural gas to Missouri LDCs: Panhandle Eastern Pipe Line Company, LP (Panhandle), Southern Star Central Gas Pipeline Inc. (Southern Star), and Enable Mississippi River Transmission Corporation, LLC (MRT).

Southern Star has several pipelines that serve the Kansas City, St. Joseph, Springfield and Joplin areas as well as a small lateral terminating in St. Louis. Panhandle serves Kansas City, central Missouri and St. Louis. MRT serves St. Louis and portions of southeast Missouri. In addition, Natural Gas Pipeline Company of America (NGPL), Ozark Gas Transmission, LLC and Texas Eastern Transmission serve southeastern Missouri; Tallgrass Interstate Gas Transmission, LLC and KPC Pipeline, LLC serve the Kansas City area; ANR Pipeline Company serves northern Missouri and MoGas Pipeline serves from St. Louis to Rolla. Rockies Express Pipeline, LLC also crosses the state of Missouri.

Focus During the 2015 Fiscal Year

Fuel Tracker Cases

The Commission has intervened in a number of fuel and lost-and-unaccounted-for-gas (LUGF) cases in which interstate pipelines have filed to change their LUGF rates. LUGF rates are recovered through in-kind gas from shippers. Shippers on a given interstate pipeline are required to put gas into the pipeline system for the pipeline's use.

Interstate pipelines typically use this gas in two ways: to fuel compressor stations and to replace gas that the pipeline loses in the transportation process. Gas may be lost from a pipeline in several ways including leakage or during repair and maintenance of the pipeline. The FERC allows pipelines to adjust LUGF rates based upon their actual natural gas usage or fuel loss the pipeline has experienced during the last annual period. The majority of these fuel and LUGF rate filings are accepted and approved by FERC without issue. The Commission has intervened and filed comments or a protest in cases where proposed LUGF rates did not appear just and reasonable.

In these cases, the Commission reviews to check that the pipelines' "fuel tracking mechanisms are appropriate for normal operating costs but are not appropriate for the recovery of gas losses outside the scope of normal pipeline operations", as FERC has previously held is required. The Commission also reviews the U.S. Department of Transportation (DOT) gas pipeline incident reports where gas losses outside normal pipeline operations are recorded. The Commission uses its analysis of these DOT reports to challenge any attempt by pipelines transporting gas to Missouri LDCs from recovering these costs that have been consistently disallowed by FERC. The Commission has been successful in reducing proposed fuel and LUGF rates over time to the benefit of Missouri customers.

RP15-670 Enable Gas Transmission

The Commission's conditional protest in Enable Gas Transmission's (Enable) FERC (Docket No. RP15-670) this year led to a reduction in the LUGF rate to be charged to shippers. Enable transports gas into MRT that is then delivered to the St. Louis area. The Commission's comments led to costs associated with incidents on the Enable pipeline reported to the U.S. Department of Transportation not being included in the determination of the fuel and LUGF rate. This reduced the costs to Enable shippers by approximately \$100,000. Laclede Gas Company is one of the largest shippers on Enable's pipeline.

REGULATORY ACTIVITY

Interstate Pipeline Abandonments and Expansions

Interstate natural gas pipelines are experiencing changes throughout the country. The increase of shale gas production in the northeast and south central United States has led to lower natural gas prices and increased demand from industry and electric generators.

The increased demand in natural gas has led to interstate natural gas pipeline expansion projects to meet new and existing customer needs. Rockies Express Pipeline has asked FERC (Docket No. CP14-498) for approval to change the directional flow of gas on its pipeline to transport Marcellus shale gas from east to west. FERC approved the request in February 2015. The project, stretching from Ohio to Missouri, is currently under construction. Rockies Express Pipeline crosses Missouri and interconnects with Panhandle Eastern near Mexico, Missouri in Audrain County.

Panhandle Eastern Pipe Line Company has also asked FERC for approval to change the directional flow of gas on its pipeline from east to west (CP15-94). This project is still in the environmental review stage and has not yet been approved by FERC.

Southern Star Central Gas Pipeline Activities

Southern Star has filed at FERC for approval to complete improvement/expansion projects at its Kansas natural gas storage fields in recent years. The migration of natural gas out of Southern Star's storage fields and the alleged venting of natural gas from oil wells adjacent to the storage fields have contributed to increased fuel losses over time. Southern Star's customers, including Missouri LDCs, reimburse

Southern Star for these fuel losses. The Commission has in the past, challenged Southern Star's level of fuel losses from storage field gas migration. Southern Star's improvements and expansions at the natural gas storage fields have helped reduce the amount of fuel lost from these fields, resulting in reduced costs to Missouri consumers. The Commission has intervened in these cases to have access to documents and the details of the improvement/expansion projects.

Over the last several years, Southern Star has filed cases at FERC for approval to replace sections of 12-inch pipe with 20-inch pipe in Johnson County Missouri. These sections of pipeline were originally placed into service in the 1930s. Southern Star completed the last phase of its replacement program during 2015 (Docket No. CP14-530). The Commission has intervened in these cases to monitor construction activities and to be aware of any landowner complaints. Pipeline expansions in Johnson County Missouri have increased Southern Star's gas transportation capacity to serve Missouri customers.

A joint project of the Missouri and Kansas departments of transportation to replace a bridge crossing between Kansas City, Kansas and Riverside, Missouri led to the need for Southern Star to abandon its pipeline crossing the Missouri River on the Platte Purchase Bridge and replace the pipeline by boring under the Missouri River. This project will be completed by Southern Star by mid-October 2015. The Commission intervened in this case and met with Southern Star to discuss the details of the project and to understand the impact of the project on service to gas customers in the Kansas City area.

REGULATORY ACTIVITY

ELECTRIC STATISTICS Calendar Year 2014 (Missouri Jurisdictional)

Company Name	Operating Revenues	MWhs Sold	Residential Customers	Total Customers
Empire District Electric Co.	\$ 456,323,868	4,148,676	126,168	149,175
Kansas City Power & Light Co.	\$ 764,449,783	8,554,330	240,422	272,799
KCP&L-GMO-L&P	\$ 199,680,186	2,144,616	57,726	65,576
KCP&L-GMO-MPS	\$ 603,164,629	6,050,485	219,504	251,007
Ameren Missouri (1)	<u>\$2,968,554,614</u>	<u>37,022,540</u>	<u>1,041,094</u>	<u>1,200,003</u>
Totals:	\$4,992,173,080	57,920,647	1,684,914	1,938,560

Source: MoPSC FERC Form 1, 2014 Annual Reports (Missouri Jurisdictional)

(1) Union Electric Company d/b/a Ameren Missouri

STEAM STATISTICS Calendar Year 2014 (Missouri Jurisdictional)

Company Name	Operating Revenues	MMBtus Sold	Residential Customers	Total Customers
KCP&L-GMO	\$17,844,212	2,616,035	0	5
Veolia Energy Kansas City, Inc.	<u>\$20,959,179</u>	<u>1,790,902</u>	<u>0</u>	<u>53</u>
Totals:	\$38,803,391	4,406,937	0	58

Source: 2014 Annual Report

NATURAL GAS STATISTICS Calendar Year 2014 (Missouri Jurisdictional)

Company Name	Operating Revenues	Mcfs Sold	Residential Customers	Total Customers
Liberty Utilities	\$ 59,313,971	9,422,897	46,787	53,706
Empire District Gas Co.	\$ 51,406,370	9,051,614	37,571	43,015
Laclede Gas Company	\$ 806,248,992	101,689,072	606,235	647,126
Missouri Gas Energy (1)	\$ 570,005,114	81,881,068	441,959	505,820
Summit Natural Gas Co. (2)	\$ 30,420,648	3,297,489	10,289	17,716
Ameren Missouri (3)	<u>\$ 155,778,861</u>	<u>18,503,644</u>	<u>114,283</u>	<u>127,614</u>
Totals:	\$1,673,173,956	223,845,784	1,257,124	1,394,997

Source: MoPSC FERC Form 2, 2014 Annual Report (Missouri Jurisdictional)

(1) A division of Laclede Gas Company

(2) Formerly Missouri Gas Utility and Southern Missouri Gas Company, L.P. d/b/a Summit Natural Gas Company

(3) Union Electric Company d/b/a Ameren Missouri

REGULATORY ACTIVITY

WATER AND SEWER

The Water and Sewer Unit provides technical expertise in the operation of water and sewer companies and analyzes applicable tariffs and tariff filings to ensure they are in compliance with appropriate state law, Commission rule, and are fair for both the utility and consumer.

The main functions of the Unit are to assist small companies in their day-to-day operations, conduct inspections, assist customers, investigate customer complaints, work on tariff filings, review small and large company rate requests, and review applications for certificates of convenience and necessity to ensure that a proposed utility is in the public interest.

The Unit plays a key role in developing appropriate rates required for the utility to collect the revenues that have been approved by the Commission.

Another major role fulfilled by the Unit is investigating customer complaints regarding quality of service issues. Unit personnel spend many hours in the field investigating complaints and working with the customer and the company to find solutions to the customer's concerns.

There are approximately 70 regulated water and/or sewer companies in Missouri. Most of these companies are considered small or very small based upon those definitions as provided by the National Regulatory Research Institute (NRRI). One of the major challenges is providing the utility with reasonable rates to make needed repairs and Missouri Department of Natural Resources (DNR) mandated upgrades while at the same time keeping rates reasonable for consumers.

In fulfilling its duties, the Unit also works very closely with DNR whose responsibilities include ensuring that the utilities are complying with applicable federal and state environmental and water quality laws and regulations.

The Commission and DNR share information about the companies they regulate under a Memorandum of Understanding. This agreement includes provisions regarding the agencies' cooperation and coordination on overlapping matters such as DNR's issuance of construction and operating permits and the Commission's utility service area certification process.

The Unit is also active in federal activities that impact water and sewer industries in Missouri. Many of the issues that are impacting these industries in Missouri are obstacles in the other states as well; therefore, the Unit participates in working groups with the NRRI and NARUC.

MAJOR ISSUE IMPACTING THE WATER AND SEWER INDUSTRIES

One major issue impacting the Unit and the industries is the level of infrastructure repair and replacement required throughout the state. Recent findings by the EPA indicate that nationwide, the cost to upgrade the water and wastewater infrastructure is approximately \$384 billion. In addition to the approximately 70 systems regulated by the Commission, there are approximately 2,200 water systems in the state. The EPA estimates the capital infrastructure needs for Missouri are approximately \$8.5 billion. Many of the small systems in Missouri are decades old and repair or replacement of the infrastructure is a constant need. However, small systems have a difficult time raising appropriate levels of capital to meet the needs of the system and to upgrade to new environmental rules.

The Unit is constantly engaged with the small systems that are regulated by the Commission and other interested entities to look for creative solutions to allow the utilities to make the appropriate upgrades and to continue to provide safe and adequate service at just and reasonable rates.



REGULATORY ACTIVITY

WATER & SEWER RATE CASES

Case Number	Company	Effective Date	Increase Requested	Increase Granted
SR-2013-0321	Lincoln County Sewer and Water, LLC	August 19, 2014	\$13,382	\$5,242
WR-2013-0322	Lincoln County Sewer and Water, LLC	August 19, 2014	\$7,569	\$43,060
WR-2014-0104	Terre Du Lac Utilities Corporation	September 1, 2014	\$32,745	\$43,230
SR-2014-0105	Terre Du Lac Utilities Corporation	September 1, 2014	\$39,300	\$53,717
SR-2014-0067	M.P.B. Inc.	November 1, 2014	\$35,335	\$26,002
SR-2014-0068	P.C.B. Inc.	November 1, 2014	\$46,315	\$64,592
SR-2014-0153	Peaceful Valley Service Company	November 28, 2014	\$93,840	\$2,335
WR-2014-0154	Peaceful Valley Service Company	November 28, 2014	\$0	(\$965)
SR-2014-0247	Central Rivers Wastewater Utility, Inc.	February 18, 2015	\$91,790	\$37,046
WR-2015-0104	Spokane Highlands Water Company	May 1, 2015	\$5,000	\$3,065
SR-2015-0106	Seges Partners Mobile Home	May 15, 2015	\$3,834	\$2,178
WR-2015-0138	Village Greens	August 20, 2015	\$2,400	\$1,962
WR-2015-0192	Bilyeu Ridge Water Company	Pending	\$5,000	Pending
	Midland Water Company	Pending	\$9,000	Pending
	Moore Bend Water Utility	Pending	\$22,000	Pending
	Riverfork Water Company	Pending	\$5,400	Pending
	Taney County Water	Pending	\$60,000	Pending
	Valley Woods Utility (water)	Pending	\$6,600	Pending
	Valley Woods Utility (sewer)	Pending	\$3,900	Pending
WR-2015-0246	Raytown Water Company	Pending	\$544,980	Pending

REGULATORY ACTIVITY

COMBINATION WATER AND SEWER COMPANIES* FISCAL YEAR 2015 (Year Ended 6/30/15)

Company Name	Water Customers	Sewer Customers
Calvey Brook	0	0
Cedar Green Land Acquisitions	54	54
Foxfire	306	204
Gladlo Water & Sewer Co. (1)	61	65
Hickory Hills Water & Sewer Co. (1)	49	47
Highway H Utilities, Inc.	331	331
Hillcrest Utility Operating Company	225	225
Holtgrewe Farms Water Co., LLC	3	3
Lake Northwoods Utility Co.	20	20
Lake Region Water and Sewer Co.	658	880
Liberty Utilities	2,003	451
Lincoln County Sewer & Water, LLC	122	123
Missouri American Water Co.	457,377	4,343
Missouri Utilities Co. (1)	151	151
Osage Water Co. (1)	418	386
Peaceful Valley Service Co.	176	179
Port Perry Service Co.	308	175
Rogue Creek Utilities (1)	99	93
Roy L Utilities, Inc.	61	57
S K & M Water & Sewer Co.	276	152
Seges Mobile Home Park	60	60
Southtown Utilities Co., Inc.	121	124
Terre Du Lac Utilities Corp.	1,267	1,244
Valley Woods Utility, LLC	42	32
Willows Utility Co.	186	186
Total Number of Customers	464,374	9,585

*Customer numbers based on most recent data available.

(1) Operating Under Receivership

REGULATORY ACTIVITY

STAND ALONE WATER AND SEWER COMPANIES*

Name of Water Company	Customers	Name of Sewer Company	Customers
Arglye Estates Water System	52	Cannon Home Association	105
Bilyeu Ridge Water Company, LLC	55	Central Rivers Wastewater Utility, Inc.	241
Empire District Electric Co.	4,471	EMC of St. Charles	25
Environmental Utilities	21	House Springs Sewer Co.	1,169
Evergreen Lake Water Co.	51	M.P.B. Inc. (1)	228
Franklin County Water Co.	186	Mid MO Sanitation	28
Gascony Water Co., Inc.	172	Mill Creek Sewer Co. (1)	75
I H Utilities	710	North Oak Sewer	78
Lakeland Heights Water	106	P.C.B. Inc. (1)	333
Middlefork Water Co.**	2	Raccoon Creek	460
Midland Water Co.	94	RD Sewer	166
Moore Bend Utility, LLC	86	Taney County Utilities	61
Oakbrier Water Co.	60	Taneycomo Highlands	26
Ozark Shores Water Co.	1,861	TBJ Sewer Systems, Inc.	63
Public Funding Corp of Ozark	219	Timber Creek Sewer Co.	1,715
Raytown Water Co.	6,536	Warren County Sewer Co.	35
Rex Defenderfer Enterprises Inc.	1,119	Total Number of Customers	4,808
Riverfork Water Co.	143		
Smithview H2O Co.	105		
Spokane Highlands Water Co.	48		
Stockton Hills Water Co.	162		
Taney County Water, LLC	512		
Village Greens Water Co.	71		
Whispering Hills Water Co.	49		
Whiteside Hidden Acres, LLC	37		
Woodland Manor Water Co.	164		
Total Number of Customers	17,092		

* Customer numbers based on most recent data available.

**Middlefork Water Company provides water to Grant City and Standberry which buy the water wholesale to provide to approximately 2,100 customers.

(1) Operating Under Receivership

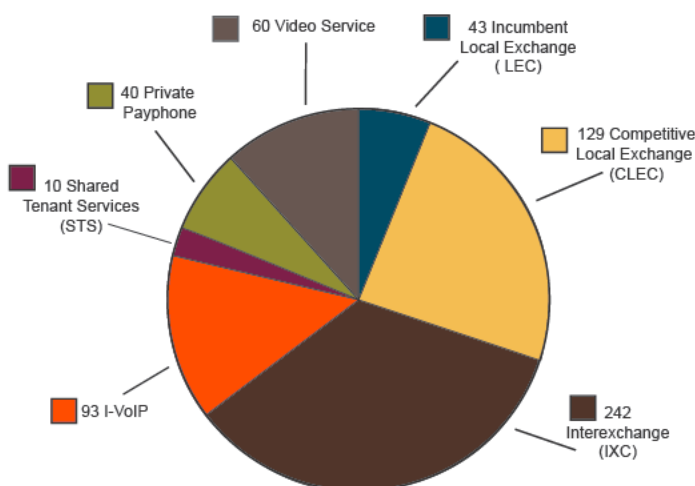
REGULATORY ACTIVITY

TELECOMMUNICATIONS

Commission Authority/ Responsibilities

The Commission's authority over telecommunications has changed over the years, with jurisdiction primarily limited to wholesale matters, telephone numbering and administering telecommunications-related programs and funds. Companies providing various forms of landline telecommunications services and Interconnected Voice over Internet Protocol (VoIP) service must be certificated or registered with the Commission. Companies offering video service have the option to seek authorization through the Commission rather than through a local municipality.

**Telecommunications, IVoIP, and
Video Service Providers**



Universal Service Fund Programs

The Federal Communications Commission (FCC) administers the federal universal service fund (USF). This federal fund is used for a variety of different programs; however, the FCC relies on state commissions to specifically help in the administration of the high-cost program and the Lifeline program. Any landline or wireless company operating in Missouri wanting to receive financial support from the high-cost program or the Lifeline program must first obtain status from the Commission as an eligible telecommunications carrier (ETC). ETC status ensures a company meets certain qualifications and also makes certain commitments for complying with various program requirements. Minimum ETC requirements are identified in FCC rules; however, a state commission may expand upon those requirements. A total of 74 companies have ETC status in Missouri.

High-Cost Support Program: The high-cost program is intended to ensure voice and broadband services are available to consumers throughout the nation at comparable rates. Essentially the high-cost support program provides financial support to companies serving high-cost areas such as rural and sparsely-populated areas. In Missouri, 44 landline companies and 3 wireless companies received approximately \$98.5 million in federal high-cost support in 2014. In August 2015 CenturyLink, FairPoint and Windstream accepted funding offers from the federal high-cost program in exchange for providing broadband service to unserved high-cost areas. Approximately \$93.7 million will be provided annually to these three companies for the next six years. The funding is expected to make broadband service available to 189,323 Missourians.

The FCC relies on state commissions to annually certify companies receiving high-cost support payments. This certification process is intended to ensure a carrier's high-cost support was used in the preceding calendar year and will be used in the coming calendar year only for the provision, maintenance and upgrade of facilities and services for which the support is intended. Failure to obtain this state certification results in termination of a company's high-cost support. The Commission has established rules identifying requirements for obtaining annual certification. In addition, the PSC Staff annually conducts on-site visits evaluating a company's facilities and overall operations.

Lifeline Program: The Lifeline program is designed to provide discounted phone service to qualifying low-income consumers. Qualifying criteria includes participation in such programs as: Missouri HealthNet, food stamps, supplemental security income, low-income home energy assistance program, federal public housing, national school free lunch program or temporary assistance for needy families. An income-based threshold of 135% of the federal poverty level is also available. The program has been in existence since 1985 and is overseen by the FCC in partnership with the states. Landline and wireless companies participating in the Lifeline program currently receive federal USF funding of \$9.25 per month for each Lifeline subscriber. Missouri provides an additional \$6.50 per month per Lifeline subscriber to landline ETCs; thus totaling a savings of \$15.75.

As of June 2015, there were approximately 12.4 million Lifeline subscribers nationwide. Missouri has 143,765 Lifeline subscribers which is 28% less than a year ago.

Disabled Program: The disabled program is similar to the Lifeline program in that it provides discounted phone service to consumers participating in the following programs: veterans' administration disability benefits, state blind pension, state aid to blind persons, state supplemental disability assistance payments, or federal social security disability program.

In contrast to the Lifeline program, the disabled program is solely funded through the Missouri USF. The disabled program is limited to landline providers and offers a \$6.50 a month discount. Approximately 1,061 subscribers were participating in the program at the end of June 2015 versus 1,314 subscribers a year earlier.

Funds Administered by the Commission

Missouri Universal Service Fund: The Missouri Universal Service Board (Board), consisting of the Commission and the Office of the Public Counsel, oversees the Missouri USF pursuant to Section 392.248, RSMo. The Missouri USF provides funding solely to landline carriers for the provisioning of discounted voice service to qualifying Lifeline and disabled customers. The Missouri USF is funded through a percentage-based assessment on retail net jurisdictional revenues of landline telecommunications companies and interconnected VoIP providers. This assessment is ultimately paid for by consumers and shows up as the Missouri USF surcharge on monthly bills.

The Missouri USF fund balance has declined from \$3,276,781, to \$3,203,667 during the July 2014 through June 2015 time period. The Missouri USF assessment was reduced from .0017 to .0010 effective October 1, 2014. In addition the Missouri USF support amount was increased from \$3.50 to \$6.50.

Relay Missouri Fund: The Commission oversees the Relay Missouri Fund (a.k.a. Deaf Relay Service and Equipment Distribution Program Fund) pursuant to Section 209.258, RSMo. This fund provides financial support to ensure deaf, hearing-impaired and speech-impaired consumers have reasonable access to telephone service. More specifically, the Relay Missouri Fund provides financial support for Relay Missouri service, Captioned Telephone service (CapTel) and the Telephone Access Program. Sprint is contracted to provide intrastate relay and CapTel services in Missouri. The current contract is in effect for four years from August 1, 2013, through July 31, 2017. Missouri Assistive Technology administers the Telephone Access Program.

The Relay Missouri Fund is funded by a surcharge applied to landlines with basic local telecommunications service or interconnected VoIP service. The Commission reduced the Relay Missouri surcharge from \$.08 to \$.06 effective December 1, 2014.

Pricing Reforms

Pricing flexibility has been available for all companies for several years depending on the type of service or competitive status; however, effective August 28, 2014, all retail telecommunications rates were de-regulated. Terms, conditions and rates associated with telecommunications services can either be maintained in a tariff filed with the Commission or by maintaining rates on a company's website.

Reforms to the federal high-cost universal service fund program now require an incumbent local telephone company to maintain monthly local rates above a certain level in order for a company to continue to receive full funding. This requirement is intended to ensure universal service funding provided to companies serving high-cost areas does not subsidize artificially low local service rates. The rate floor was initially set at \$10 in 2012 and has increased to over \$21 by mid-2015. Many companies have increased local rates to retain full high-cost support funding.

Rulemakings

The Commission initiated a proposed rulemaking to rescind and update various telecommunications rules primarily due to changes in state legislation impacting the Commission's authority. In late August 2015, the Commission issued a Final Order of Rulemaking rescinding a significant portion of the Commission's existing rules. The Commission also updated and streamlined rules pertaining to authorizations, reporting, assessments, service, tariffs, interconnection agreements and the provisioning of 211 service.

Telephone Numbering

The Commission serves as an impartial telephone numbering administrator in Missouri, working closely with the National Number Pool Administration to implement industry guidelines to include telephone number reclamation procedures, and the issuance of new telephone numbers in quantities sufficient to serve new telephone numbering needs.

The Commission also monitors national activities that impact telephone number administration in Missouri. These activities serve to meet expectations that telephone numbers are utilized efficiently as the Public Switched Telephone Network continues its evolutionary migration to an Internet Protocol-based successor network.

The Commission also serves in a capacity to review, and potentially reverse, decisions by federal authorities which have denied additional telephone numbers to telephone companies when specific utilization guidelines are not met. Often referred to as "safety valve" requests, such authority permits the Commission to examine and verify telephone numbering needs involving individualized company-specific situations. In the 2015 fiscal year, the Commission was asked to examine and make determinations in five situations.

The Commission continues to be aggressive in its efforts to conserve telephone numbers. Those efforts have enabled Missouri to delay the implementation of new area codes in the state. The following table shows Missouri's area code projected exhaust dates as well as the percentage of available telephone numbers currently assigned to carriers:

Area Code	Projected Date of Telephone Number Exhaustion*	Percentage of Numbers Assigned to Carriers
314	2nd quarter of 2019	57%
417	3rd quarter of 2030	37%
573	3rd quarter of 2023	31%
636	Exhaust date exceeds 30 years	40%
660	2nd quarter of 2034	23%
816	1st quarter of 2020	47%

**Forecast as approved by the FCC in April 2015. The exhaust dates are reviewed twice a year by numbering authorities.*

REGULATORY ACTIVITY

MANUFACTURED HOUSING AND MODULAR UNITS PROGRAM

The Manufactured Housing and Modular Units Program (Program) is responsible for overseeing the annual registration of dealers and manufacturers of manufactured homes and modular units, as well as the installers of new manufactured federal Housing and Urban Development (HUD) homes. Program Staff also prescribes and enforces uniform construction, safety and installation standards by conducting inspections, which include enforcement of tie down and anchoring requirements.

The Commission has a toll-free number, **1-800-819-3180**, for consumers who have questions or complaints regarding manufactured homes or modular units. Staff conducts **free** home inspections for consumers requesting an inspection if the consumer is the first owner of the home and the home is less than two years old. Additional information is available on the Commission website at www.psc.mo.gov/manufacturedhousing.

During the 2015 fiscal year, the Program licensed 123 manufacturers, 189 retail dealers, and 85 installers. Field Staff conducted a total of 18 consumer complaint inspections. The number of consumer complaints dropped by 28% from 25 in 2014 to 18 in 2015, and the number of on-site inspections increased from 332 to 397.

On-site inspections can help identify any installation problems and those problems can be repaired before the installation of the home is completed, reducing repair costs and ensuring that the consumer has a properly installed, longer lasting home. In many cases, these on-site inspections are initiated or requested by the home installer, dealer or the home owner to ensure the site is properly prepared before the home is placed on the site.

Oversight and Regulation

Structures that are not properly installed may result in very expensive repairs which can take weeks to complete. Most of today's homes and commercial units are multi-section structures installed on crawl spaces or basement foundations or below frost grade footings. Many of these structures have high pitched hinged roofs and require specialized equipment to install.



STATISTICS FOR FISCAL YEAR 2015

Registered Manufacturers:	123
Registered Dealers:	189
Registered Installers:	85
Homes Sold (New & Used):	2,030
Consumer Complaint Inspections:	18
On-Site Inspections:	397
Dealer Lot Inspections:	61
Dealer Lot Investigations:	42
Modular Unit Seals Issued:	762
Modular Unit Plans Approved:	327
Installer Decals Issued:	807

Many multi-section units require several weeks to fully complete from site preparation to final close up and interior finish. Program Staff work with local communities around the state to ensure manufactured homes and modular units are built to the applicable building and safety codes and are set up and installed according to applicable state standards.

Manufactured Homes & Modular Unit Sales

Approximately 858 new manufactured homes and new modular units were sold in Missouri during the 2015 fiscal year. In addition, 1,172 used homes were sold in the state (down 8% from FY-2014).

Modular and manufactured homes fill a major housing void in many rural areas where site built homes are difficult to construct in a timely manner. Pursuant to a report published by the Governmental Accounting Office and the Federal Housing Institute, approximately five percent of Missouri residents live in a manufactured home. In addition, residential and commercial modular units are becoming a very popular and affordable alternative to site built constructed units.

Commercial Modular Units

Commercial modular units range from small single section units, to large 16 to 20 section multi-family structures. Other commercial units include specialized units such as medical facilities, banks and jails. Many of these commercial units can be delivered and fully operational within a very short period of time. Program Staff work with local building and code officials to ensure these structures meet the applicable commercial building code requirements under the International Building Codes (IBC).

Modular Classrooms

Modular unit classrooms are a major component of affordable classrooms in many school districts throughout the state. Program Staff continues to work with school

districts to ensure these units are installed and anchored properly so that schools have safe environments for all school children.

Legal Action

The Commission's dispute resolution hearing process has reduced the number of formal complaints filed with the Commission. This process includes on-site hearings, which are conducted at the home's location with the homeowner, manufacturer, dealer, installer(s) and Program Staff. Corrective action is identified by Program Staff and the responsible party is required to make the applicable changes. These hearings have reduced the legal cost for the industry, the consumer and the Commission.

During the past year, the Program Manager filed formal complaints against various dealers and unlicensed entities for alleged violation of state laws. Complaints were filed against certain dealers and installers for homes that did not comply with the applicable building codes; improper installation and anchoring; failing to deliver homes to consumers who had paid the dealer for the homes; and failing to make corrections in a timely manner.

CONSUMER SERVICES

The Consumer Services Unit (Consumer Services) responds to information requests and responds to consumer complaints and inquiries regarding utility service. Consumer Services ensures utility compliance with Commission rules and regulations as well as with utilities' Commission-approved tariffs. Consumer Services also works to educate customers, utilities and the public on utility-related consumer service issues, rights and responsibilities, with a focus on promoting understanding of investor-owned utility services.

Consumer Services is actively involved in consumer education efforts throughout the State. In Fiscal Year 2015, there were approximately 70 different consumer outreach venues (i.e., state, energy, health and senior service fairs, back-to-school fairs and local public hearings). During the 2015 fiscal year, Consumer Services increased the Commission's visibility in rural and urban areas in Missouri. This increased visibility, through various formats, encouraged customer participation and understanding of who the Commission is and what it does.

Consumer Services has full-time investigators who handle a variety of consumer issues including billing problems, payment arrangements, denial of service issues, disconnection and service connection issues, enforcement of rules and regulations and safety issues. Consumer Services is the link between consumers and the utility company that serves them. Consumer Services handles all contacts in a prompt, fair and practical manner.

Consumer Services encourages all parties to focus on preventing problems before they occur. When consumer issues are found, investigators guide the parties to identify and correct the cause.

Consumer Services also handled 14 prose formal complaint cases; participated in customer-service focused reviews of



utility operations; and testified in formal cases before the Commission regarding issues that affect consumers.

In Fiscal Year 2015, Consumer Services also worked extensively with consumer advocates and utilities through a rulemaking case to update rules regarding service and billing practices for residential customers of electric, gas, sewer and water utilities (Chapter 13).

During Fiscal Year 2015, Consumer Services managed extensive internal process changes in handling consumer contacts, complaints and inquiries in order to better serve Missourians.

The Commission received over 13,500 customer-related contacts in 2015. Contacts included complaints, inquiries regarding rules and regulations, information requests, non-jurisdictional requests, and public comments related to pending utility cases.

ENGINEERING AND MANAGEMENT SERVICES

Management Services Staff

Management Analysts in the Engineering and Management Services Unit (EMSU) participated in a variety of cases and audit projects during 2015. EMSU Staff (Staff) performed analysis in conjunction with the review of numerous small water and sewer companies to assist them in providing sound customer service as well as efficient and effective business practices.

The small water and sewer audit program is designed to assist small companies (defined as having approximately 8,000 or fewer customers), in a variety of areas including: customer billing, payment remittance, credit and collections, complaint handling, business office operations and record

REGULATORY ACTIVITY

retention. This program is utilized by Management Analysts when a small utility requests a rate increase.

As part of the audit program, Management Analysts produce a report which contains a description of the companies' processes and procedures as well as audit findings and recommendations for improvement. The audit program also includes implementation reviews, along with continued monitoring of the small utilities after completion of the audit reports.

Management Analysts performed service quality analysis during 2015 on a number of small water and sewer companies in the context of rate increase requests, acquisitions, new certificate cases, implementation reviews and general consultative activity.

Service quality analysis was performed on the following companies during 2015: Raytown Water Company, Branson Cedars, Rogue Creek Utilities, Seges Mobile Home Park, Spokane Highlands Water Company, Hickory Hills Water and Sewer Company, Taney County Water, LLC., Midland Water Company, Riverfork Water Company, Valley Woods Utility, LLC, Moore Bend Water Utility, LLC, Bilyeu Ridge Water Company, LLC, Ridge Creek Water, LLC, TUK LLC and Village Greens Water Company.

Staff was also involved in two dockets regarding Missouri-American Water Company (Case Nos. WC-2014-0138 and WO-2014-0362). In Case No. WC-2014-0138, the Office of the Public Counsel filed a complaint against the company alleging inaccurate billing of customers in the Branson area. Staff conducted analysis in the context of the complaint and prepared a report which made 20 recommendations for improvement to utility management. The company responded to Staff's recommendations which included corrective actions.

During this time period, Staff also completed its analysis in Case No. WO-2014-0362, an investigatory docket into Missouri-American's call center performance. This docket was the result of customer concerns with the company's call center raised in the prior billing complaint. Staff is continuing to monitor the company's progress with regard to recommendations made in both dockets and meets periodically with Missouri-American Water Company to review and address a variety of service quality topics including billing, call center and the company's transition into its Business Transformation computer system.

Staff continued participation in File No. EO-2014-0306, an investigatory docket into an agreement between KCPL, KCP&L-GMO and Allconnect Inc. which resulted in a Staff complaint filed against KCPL and KCP&L-GMO (Case No. EC-2015-0309). Allconnect contracts with utilities throughout the United States for access to customers of the utilities to attempt to sell them other types of services including communication and home product services. Staff also participated in KCPL's rate case (Case No. ER-2014-0370), as it related to the company's involvement with Allconnect, Inc.

Staff continues to meet quarterly with KCPL and KCP&L-GMO to address service quality topics as a result of the Great Plains Energy/Kansas City Power & Light Company/Aquila, Inc. merger (Case No. EM-2007-0374). A variety of service quality topics are continuously reviewed with the companies to monitor utility performance and customer service.

Staff also participated in the Telecommunications Unit's review of Universal Service Fund (USF) certifications for four telecommunication's companies: Choctaw Telephone Company, IAMO Telephone Company, Miller Telephone Company and Granby Telephone Company. Staff analyzed a variety of processes and practices during each of these reviews, including customer billing and payment remittance, credit and collections, local business office operations and the companies' handling of customer complaints and inquiries. Staff submitted a number of data requests, performed on-site work and made recommendations for improvements in its reports.

Staff continues to receive and review quality of service reports from a variety of companies as a result of mergers and rate cases. These reports contain information regarding customer service, including data on staffing levels, call center indicators such as average speed of answer and abandoned call rate, and the number of billing estimates performed. Staff monitors the call center performance of all of the state's large regulated natural gas and electric companies as well as Missouri-American Water Company. Staff specifically reviews and analyzes call center performance trends, and these reviews often result in additional inquiries and discussion with the utilities regarding performance. Staff also performed analysis on a variety of customer complaints during this period.

Depreciation Engineering Staff

Depreciation expense comprises a significant component of the costs used to develop utility rates paid by consumers. The purpose of depreciation in the regulatory environment is to recover the original cost and cost of removal (less salvage) of capital investment from customers over the useful life of the assets. Annual depreciation expense, distributed over the life of each asset, results in the full recovery of the original cost plus the cost of removal (less salvage value) of capital assets. Commission rules provide specific requirements for utilities to maintain their plant records.

The Depreciation Engineers' (Engineers) objective is to propose depreciation rates that are fair and appropriate for each company as well as its customers. Historical plant additions and retirements are studied in computer models that assist the Engineers in applying professional judgment when determining an average service life for utility assets that are classified in a system of plant accounts. Engineers also conduct plant visits to observe the physical assets represented in the individual accounts that are being depreciated.

During the year, Engineers provided expert depreciation analyses and testimony in the context of three large utility rate cases including those filed by Ameren Missouri (Case No. ER-2014-0258), Empire (Case No. ER-2014-0351) and KCPL (Case No. ER-2014-0370). Staff also participated in several small water and sewer company rate cases (the majority of those listed previously), including providing assistance to some small systems in the construction of plant records critical in the calculation of rate base.

Editor's Note: Effective October 1, 2015, this department is now Consumer And Management Analysis.

2014

July 2 Commission approves request filed by Ameren Missouri for a certificate of convenience and necessity to expand the boundaries of its Labadie Energy Center in Franklin County to permit the construction and operation of a utility waste landfill.

July 3 Ameren Missouri files an electric rate case with the Commission seeking to increase annual electric revenues by approximately \$264 million.

July 24 Commission approves agreement reached in Veolia Energy Kansas City, Inc. steam rate case which authorizes a rate increase of approximately \$1 million. The agreement also authorizes Veolia Energy to expand its service territory.

July 30 Commission approves a drop in the Missouri Universal Service Fund assessment effective October 1, 2014.

August 20 Commission denies and dismisses complaint filed by Noranda Aluminum, Inc. and 37 other individual customers against Ameren Missouri.

August 29 The Empire District Electric Company files a rate case with the Commission seeking to increase annual electric operating revenues by approximately \$24.3 million.

September 2 Commission opens case to investigate solar rebate payment compliance.

September 8 Commission observes National Telephone Discount Lifeline Awareness Week.

September 10 Commission reduces the Relay Missouri surcharge effective December 1, 2014. The surcharge will drop from \$0.08 to \$0.06 a month per telephone line.

October 1 Commission denies over-earnings complaint brought by Noranda Aluminum and 37 other individual customers against Ameren Missouri.

October 23 Commission approves agreement which authorizes Hillcrest Utility Operating Company, Inc. to purchase the water and sewer system assets of Brandco Investments LLC.

October 29 Commission issues decision in Summit Natural Gas of Missouri rate case. The decision authorizes an increase of approximately \$7.1 million in annual natural gas operating revenues. Summit sought an increase of approximately \$7.5 million when it filed its rate request on January 2, 2014.

October 30 Commission's Cold Weather Rule takes effect on November 1. The rule will remain in effect until March 31.

October 30 Kansas City Power & Light Company files an electric rate case with the Commission seeking to increase annual electric operating revenues by approximately \$120.9 million.

November 25 Commission approves agreement which authorizes Raccoon Creek Utility Operating Company, Inc. to purchase substantially all of the sewer assets of West 16th Street Sewer Company, Village Water and Sewer Company, Inc. and W.P.C. Sewer Company.

December 3 Commission issues decision in Liberty Utilities (Midstates Natural Gas) Corp. d/b/a Liberty Utilities which authorizes the natural gas company to increase annual natural gas operating revenues by approximately \$4.87 million. When it filed its rate case on February 6, 2014, Liberty Utilities sought to increase annual natural gas operating revenues by approximately \$7.6 million.

2015

January 21 Commission approves the transfer of the Kimberling City Water Company to Upper White River Basin Foundation, Inc.

March 12 Commission approves agreement in PSC Staff complaint against Missouri Gas Energy related to a natural gas incident that occurred in Kansas City, Missouri on February 19, 2013.

March 16 Commission supports national "Fix-A-Leak Week".

April 1 Commission observes national Safe Digging Month.

April 15 Commission approves application which authorizes the Missouri-American Water Company to install, own and operate a sewer system in and around the City of Arnold, Missouri.

April 29 Commission issues decision which authorizes Ameren Missouri to increase annual electric revenues by approximately \$121.5 million. When Ameren Missouri filed its rate request on July 3, 2014, it sought to increase annual electric revenues by approximately \$264 million.

June 8 Chairman Robert Kenney announces he will step down from the Commission effective August 7, 2015.

June 24 Commission issues decision in The Empire District Electric Company electric rate case, approving an agreement which authorizes an annual increase in electric operating revenues of approximately \$17.1 million. When the company filed its rate request on August 24, 2014, it sought to increase annual electric operating revenues by approximately \$24.3 million.

PSC COMMISSIONERS PAST AND PRESENT

COMMISSIONER	LENGTH OF SERVICE	COMMISSIONER	LENGTH OF SERVICE
John M. Atkinson	1913-1916	D.D. McDonald	1955-1961
William F. Woerner	1913-1914	William Barton	1956-1965
John Kennish	1913-1917; 1920	Frank J. Iuen	1959-1963
Frank A. Wightman	1913-1915	Frank W. May	1961-1967
Howard B. Shaw	1913-1917	Donal D. Guffey	1963-1968
Edwin J. Bean	1914-1925	William R. Clark	1965-1975
Eugene McQuillin	1915-1917	Charles J. Fain	1965-1977
William G. Busby	1916-1921	Howard Elliot, Jr.	1967-1970
David E. Blair	1917-1920	Marvin E. Jones	1967-1973
Noah W. Simpson	1917-1923	Willard D. Reine	1968-1975
Edward Flad	1917-1921	James F. Mauze	1971-1975
John A. Kurtz	1920-1923	A. Robert Pierce, Jr.	1973-1977
Hugh McIndoe	1921-1923	James P. Mulvaney	1975-1977
A.J. O'Reilly	1921-1925	Stephen B. Jones	1975-1979
Richard H. Musser	1923-1925	Hugh A. Sprague	1975-1979
Merrill E. Otis	1923-1924	Charles J. Fraas	1977-1983
Thomas J. Brown	1923-1928	Leah Brock McCartney	1977-1983
D.E. Calfee	1925-1929	Alberta Slavin	1977-1981
Almon Ing	1925-1933	Stephanie Bryant	1979-1981
S.M. Hutchinson	1925-1931	Larry W. Dority	1979-1983
J.H. Porter	1925-1933	John C. Shapleigh	1981-1984
James P. Painter	1928-1929	Charlotte Musgrave	1981-1988
Milton R. Stahl	1929-1933	Allan G. Mueller	1983-1996
J. Fred Hull	1929-1934	Connie Hendren	1983-1989
George H. English	1931-1936	James M. Fischer	1984-1989
J.C. Collet	1933-1935	William D. Steinmeier	1984-1992
William Stoecker	1933-1936	David Rauch	1989-1993
W.M. Anderson	1933-1938	Kenneth McClure	1990-1997
Harry E. McPherson	1934-1935	Ruby Letsch-Roderique	1990-1991
Sam O. Hargus	1935-1937	Patricia Perkins	1991-1995
John S. Boyer	1935-1941	Duncan Kincheloe	1992-1997
Albert D. Nortoni	1936-1938	Harold Crumpton	1993-2000
John A. Ferguson	1936-1944	M. Dianne Drainer	1995-2001
J.D. James	1937-1942	Karl Zobrist	1996-1997
Marion S. Francis	1938-1941	Robert Schemenauer	1998-2001
Scott Wilson	1938-1941	Sheila Lumpe	1997-2003
Paul Van Osdol	1941-1943	Connie Murray	1997-2009
Frederick Stueck	1941-1943	Kelvin Simmons	2000-2003
Kyle Williams	1941-1952	Bryan Forbis	2001-2003
Charles L. Henson	1942-1959	Steve Gaw	2001-2007
Albert Miller	1943-1944	Linward "Lin" Appling	2004-2008
Richard Arens	1944-1945	Robert Clayton III	2003-2011
Agnes Mae Wilson	1943-1949	Jeff Davis	2004-2012
E.L. McClintock	1945-1967	Kevin Gunn	2008-2013
Morris E. Osburn	1945-1952	Terry Jarrett	2007-2013
John P. Randolph	1949-1951	Robert S. Kenney	2009-2015
Henry McKay Cary	1950-1955	Stephen M. Stoll	2012-present
Maurice Covert	1952-1953	William P. Kenney	2013-present
Tyre W. Burton	1952-1965	Daniel Y. Hall	2013-present
Frank Collier	1953-1954	Scott T. Rupp	2014-present
M.J. McQueen	1954-1956	Maida Coleman	2015-present

CONTACTING THE PSC

Missouri Public Service Commission offices are located in Kansas City, Jefferson City and St. Louis. The PSC is open from 8:00 a.m.-12:00 noon and 1:00 p.m.-5:00 p.m., Monday through Friday, except on state holidays.

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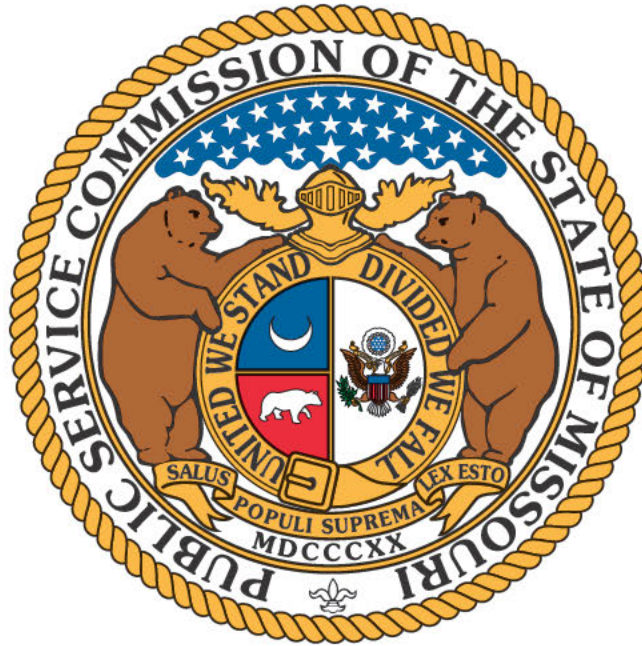
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**Manufactured Housing/Modular Unit
Complaints: (800) 819-3180**

Web site address: www.psc.mo.gov



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